

MEETING: CABINET
DATE: Thursday 26th February, 2009
TIME: 10.00 am
VENUE: Southport Town Hall

Member

Councillor

Robertson (Chair)
Brodie - Browne
P Dowd
Lord Fearn
Fairclough
Maher
Parry
Platt
Porter
Tattersall

COMMITTEE OFFICER: Steve Pearce
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members and Officers are requested to give notice of any personal or prejudicial interest and the nature of that interest, relating to any item on the agenda in accordance with the relevant Code of Conduct.		
3.	Minutes Minutes of the meeting held on 5 February 2009		(Pages 5 - 14)
* 4.	Children's Personal Social Services Capital Allocation - Additional Schemes Report of the Strategic Director of Children's Services	All Wards	(Pages 15 - 18)
* 5.	Merseyside Gypsy and Traveller Accommodation Assessment and Regional Spatial Strategy - Partial Review of Draft Policies for Gypsies and Travellers and Travelling Showpeople Joint report of the Strategic Director of Adult Social Services (Health and Social Care), Planning and Economic Regeneration Director and Environmental Protection Director	All Wards	(Pages 19 - 38)
6.	Parking Charges – Bootle Leisure Centre and Dunes Leisure Centre Report of the Planning and Economic Regeneration Director	Dukes; Linacre;	(Pages 39 - 44)
7.	Local Leadership and Public Trust - Committee on Standards in Public Life Report of the Legal Director	All Wards	(Pages 45 - 70)
8.	Programme of Meetings 2009/10 Report of the Legal Director	All Wards	(Pages 71 - 78)

9.	Treasury Management Policy and Strategy 2009/10 Report of the Finance and Information Services Director	All Wards	(Pages 79 - 108)
10.	The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators Report of the Finance and Information Services Director	All Wards	(Pages 109 - 120)
* 11.	Capital Programme 2009/10 - 2011/12 Joint report of the Finance and Information Services Director and the Strategic Directors - Adult Social Services (Health and Social Care), Children's Services and Regeneration and Environmental Services	All Wards	(Pages 121 - 146)
12.	Revenue Budget 2009/10 - Budget Update Report of the Finance and Information Services Director	All Wards	(Pages 147 - 158)
13.	Exclusion of Press and Public To consider passing the following resolution: That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.		
14.	Housing Market Renewal Initiative – Disposal to Plus Dane Housing Association Limited Report of the Housing Market Renewal Director	Derby	(Pages 159 - 170)
* 15.	23 – 35 Scarisbrick Avenue. Southport Report of the Strategic Director of Regeneration and Environmental Services.	Dukes	(Pages 171 - 176)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 17 FEBRUARY 2009.

CABINET

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 5TH FEBRUARY, 2009

PRESENT: Councillor Robertson (in the Chair)
Councillors Brodie - Browne, P Dowd, Lord Fearn,
Fairclough, Maher, Parry, Platt, Porter and Tattersall

ALSO PRESENT: Councillors Shaw and Weavers

248. APOLOGIES FOR ABSENCE

There were no apologies for absence.

249. DECLARATIONS OF INTEREST

The following declaration of interest was received:

Member	Minute No.	Reason	Action
Councillor Robertson	252 - Revenue Budget 2009/10 - Budget Update	He is a member of Maghull Town Centre which is referred to in the report	Took part in the consideration of the item and voted thereon

250. MINUTES

RESOLVED:

That the Minutes of the Cabinet Meeting held on 22 January 2009 be confirmed as a correct record.

251. ALLOCATION OF AREA BASED GRANT 2009/10

Further to Minute No. 222 of the meeting held on 8 January 2009, the Cabinet considered the report of the Finance and Information Services Director on the proposed course of action to meet the key local priorities and targets for Sefton with regard to the distribution of Area Based Grant resources in 2009/10.

RESOLVED: That

- (1) the priority areas within the Local Area Agreement (LAA), and the current performance against targets within the LAA as detailed at Annex C of the report be noted;

Agenda Item 3

CABINET- THURSDAY 5TH FEBRUARY, 2009

- (2) the comments of the Sefton Borough Partnership be noted;
- (3) that approval be given to £2.3m of resources released from Area Based Grant been re-directed into budget pressures within the Council's Priority Services on the basis of information set out in the report;
- (4) the External Funding Working Group be requested as a matter of urgency, to look at this issue in more detail, including;
 - (i) reviewing the detailed impact assessments and the overall alignment of resources to match LAA priorities,
 - (ii) reviewing the allocation of the remaining £24.2m of ABG,
 - (iii) reviewing performance against key Local Area Agreement targets to determine priorities for Area Based Grant growth in 2010/11, and
- (5) that pending completion of this review, it be confirmed that the Thematic Groups should not commit any further resources.

252. REVENUE BUDGET 2009/10 - BUDGET UPDATE

The Cabinet considered the report of the Finance and Information Services Director which provided an update on the current base budget position for 2009/10, following previous decisions made by the Cabinet.

It was noted that the Council is required to set a Budget and Council Tax for 2009/10 by 10 March 2009 at the latest and that the Cabinet's recommended budget had to be scrutinised independently (prior to approval by full Council). The proposed budget will be considered by the Overview and Scrutiny Committee (Performance and Corporate Services) on 17 February 2009.

The Finance and Information Services Director circulated a copy of the Liberal Democrat Group Budget Proposals.

The Cabinet also considered Minute No. 109 of the meeting of the Cabinet Member - Technical Services held on 28 January 2009 relating to the Winter Service Budget 2008/09 and Minute No. 4 of the joint meeting of the Party Group Leaders and Area Committee Chairs held on 29 January 2009, relating to the budget for the maintenance of street nameplates.

RESOLVED: That

- (1) the base budget position following the Cabinet meeting on 22 January 2009 be noted;
- (2) the final Revenue settlement position be noted;

CABINET- THURSDAY 5TH FEBRUARY, 2009

- (3) the Liberal Democrat Group budget be recommended to the Overview and Scrutiny Committee (Performance and Corporate Services);
- (4) that the Finance and Information Services Director circulate the budget proposals submitted by the Conservative and Labour Groups to the Overview and Scrutiny Committee (Performance and Corporate Services) for comments;
- (5) it be noted that the Finance and Information Services Director will report on the robustness of the estimates and the adequacy of financial reserves for the budget proposals submitted by the three Political Groups to the Overview and Scrutiny Committee (Performance and Corporate Services);
- (6) it be noted that the comments of the Overview and Scrutiny Committee (Performance and Corporate Services) on the budget proposals will be referred back to the next Cabinet meeting for consideration;
- (7) it be noted that the Finance and Information Services Director will submit an updated Medium Term Financial Plan to the Cabinet meeting on 19 March 2009;
- (8) the funding of any overspend on the Winter Service Budget from the Council's balances be considered further during the budget setting process; and
- (9) the reinstatement of the highways budget for the maintenance of street nameplates at a cost of £30k be given further consideration during the budget setting process and that the Finance and Information Services Director seek the views of the Overview and Scrutiny Committee (Performance and Corporate Services) on this matter.

253. SELECTION OF DEPUTY MAYOR FOR 2009/10

The Cabinet considered the report of the Legal Director which provided details of the Selection Procedure previously agreed for the selection of the Deputy Mayor and sought the nomination of the Deputy Mayor for the Municipal Year 2009/10.

Under the present political management framework, the nomination of the Deputy Mayor Elect was a matter on which the Cabinet should make a recommendation to the Council.

RESOLVED: That

- (1) it be noted that Councillor Doran stands nominated as Mayor Elect for 2009/10;

Agenda Item 3

CABINET- THURSDAY 5TH FEBRUARY, 2009

- (2) the Council be recommended to elect Councillor M. Fearn as Deputy Mayor for 2009/10 at its Annual Meeting in May 2009.

254. LITHERLAND HIGH SCHOOL - ONE SCHOOL PATHFINDER - APPOINTMENT OF PREFERRED BIDDER

Further to Minute No. 185 of the meeting held on 27 November 2008, the Cabinet considered the report of the Strategic Director of Children's Services on the development of the Litherland High School project via the Partnerships for Schools framework.

The Cabinet also considered the report of the Overview and Scrutiny Committee (Children's Services) Focus Group on the pre-scrutiny process undertaken to verify the recommendations on the appointment of the preferred bidder for the detailed design and delivery stage of the project and a copy of the report to the Project Board meeting held on 3 February 2009.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) Kier Education be appointed as the preferred bidder for the Litherland High School One School Pathfinder project;
- (2) the open book process continue into the preferred bidder stage to provide further assurance on Value for Money before entering into the contract;
- (3) Kier Education be required to provide detailed information on the products specified in their tender submission, within four weeks of appointment;
- (4) the Lead Officer representing Sefton Council in managing the project on site be nominated as a matter of urgency to ensure continuity and fluid communication throughout the life of the project; and
- (5) the Overview and Scrutiny Committee (Children's Services) be kept informed of progress and be invited on a site visit of the School once the project is complete.

255. MODERNISATION FUNDING - PROPOSED TWO POSTS TO SUPPORT SEFTON'S PLAY STRATEGY

Further to Minute No. 112 of the meeting of the Cabinet Member - Children's Services held on 20 January 2009, the Cabinet considered the report of the Strategic Director of Children's Services which sought approval for an allocation from the Modernisation Fund to fund two posts to lead on and co-ordinate Sefton's Play Strategy. The report explained

CABINET- THURSDAY 5TH FEBRUARY, 2009

that the posts would be for one year in the first instance, with a further extension following a review of performance and project progress.

RESOLVED:

That the report be deferred for consideration at a future Cabinet meeting.

256. GREATER MERSEYSIDE CONNEXIONS PARTNERSHIP

Further to Minute No. 313 of the meeting held on 20 March 2008, the Cabinet considered the report of the Strategic Director of Children's Services on the proposed arrangements for the future commissioning of 'connexions service'.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions

RESOLVED: That

- (1) the existing contract with Greater Merseyside Connexions Partnership (held by Wirral Council on behalf of the six Merseyside Local Authorities) be amended to cover the period to 30 September 2009, pending the completion of procurement processes;
- (2) the new contract for 'connexions services' should cover the period 30 September 2009 to 31 March 2012 with an option of an extension to the contract for a further period of up to 3 years, but for the contract to accommodate an appropriate break clause in the event of poor performance or reduced financial capacity to commission the service to the level previously agreed;
- (3) Halton Borough Council be the lead Authority for the procurement of the new arrangements on behalf of the six participating Local Authorities; and
- (4) Halton Borough Council be the contract holding Authority on behalf of the six participating Local Authorities from the City Region for the new contract when awarded with the appropriate cross Authority commitments.

257. RESPONSE TO NOTICE OF MOTION - ENERGY, CARBON AND WATER SAVING

Further to the Notice of Motion set out in Minute No. 73 of the Council meeting held on 15 January 2009, the Cabinet considered the report of the Strategic Director of Regeneration and Environmental Services which provided details of the response to the Notice of Motion with regard to the Council's strategy and investment for reducing energy consumption and carbon emissions.

Agenda Item 3

CABINET- THURSDAY 5TH FEBRUARY, 2009

RESOLVED: That

- (1) the report and issues raised in respect of energy efficiency and carbon emissions be noted; and
- (2) further reports be submitted to the Cabinet in due course with outcomes of the strategic review.

258. RURAL DEVELOPMENT PROGRAMME FOR ENGLAND AND MERSEYSIDE RURAL ECONOMY ACTION PLAN

The Cabinet considered the report of the Planning and Economic Regeneration Director advising of the development of the Rural Development Programme for England (RDPE) and the Merseyside Rural Economy Action Plan (MREAP) and seeking consideration of the implications for Sefton; and indicating that a decision on this matter was required to ensure that Sefton Council and its partners were in a position to access support and funding from RDPE and MREAP either through collaborative programmes or individual Sefton projects.

The report indicated that RDPE had a budget of £3.9 billion to be spent on agri-environment and other land management schemes aimed at helping farmers to manage their land more sustainably and to deliver important outcomes on bio-diversity, landscape and access, water quality and climate change; and to make agriculture and forestry more competitive and sustainable in rural areas; whilst the MREAP was a major two phase study with the following aims:

- Phase 1 - the production of an over-arching Merseyside Rural Economy Strategy to be informed by economic baseline and SWOT analyses and to include the determination of an integrated strategic governance structure;
- Phase 2 - the production of a detailed, intelligence-led, fully costed integrated Rural Economy Action Plan and associated bids to draw down funding and deliver the defined strategy.

The report concluded that the development of MREAP, as set out in the report, provided an opportunity to get a comprehensive picture of the rural economy and to identify actions required; that the Regional Development Agency was part funding this study, and had indicated that projects emanating from this Action Plan would be eligible for grant funding from £2m already allocated from the Agency's single pot budget for rural areas over the next two years.

This was a Key Decision and was included on the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) the report be noted;

CABINET- THURSDAY 5TH FEBRUARY, 2009

- (2) it be noted that Sefton's contribution towards the Rural Economy Action Plan can be funded from within existing resources; and
- (3) regular progress reports on the matter, be submitted to the Cabinet.

259. CROSBY MARINE LAKE WATER QUALITY IMPROVEMENTS - APPROVAL TO AWARD TENDER

Further to Minute No. 206 of the meeting held on 11 December 2008, the Cabinet considered the report of the Planning and Economic Regeneration Director which provided details of the negotiated contract sum for the Water Quality Improvement Scheme at Crosby Marine Lake.

RESOLVED:

That approval be given to the award of the contract to Balfour Beatty for a contract sum of £513,067.

260. LICENSING SERVICES - FEES AND CHARGES 2009/10

Further to Minute No. 43 of the meeting of the Licensing and Regulatory Committee held on 19 January 2009, the Cabinet considered the report of the Environmental Protection Director on the proposed changes to the fees and charges for Licensing Services in 2009/10.

RESOLVED:

That approval be given to the revised fees and charges for 2009/10 as listed in the Annex to the report.

261. IDENTITY CARDS ACT SECONDARY LEGISLATION - CONSULTATION

The Cabinet considered the report of the Legal Director which provided details of the new Consultation Paper published by the Government setting out proposals for secondary legislation under the Identity Cards Act 2006. The paper covers the new regulations, orders and codes of practice that will need to be put in place before the first ID cards can be issued under the Act.

RESOLVED: That

- (1) the report be noted;
- (2) the content of the Notice of Motion approved by the Council at its meeting held on 3 March 2005 (Minute No. 66) in relation to the introduction of National Identity Cards be used as the basis of the Council's response to the Consultation Paper.

Agenda Item 3

CABINET- THURSDAY 5TH FEBRUARY, 2009

262. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it would involve the likely disclosure of exempt information as defined in paragraphs 2 and 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public.

263. SOUTHPORT CULTURAL CENTRE

Further to Minute No. 186 of the meeting held on 27 November 2008, the Cabinet considered the joint report of the Leisure Director and Head of Tourism on the outcome of the Council's application for Sea Change Funding for the development of the Southport Cultural Centre.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) the offer of a grant of £4m from the Sea Change Fund be noted;
- (2) that the sum of £7.3m be included in the 2010-12 capital programme subject to sufficient external funding bids being successful to complete the proposal;
- (3) the progress made in attracting other sources of funding be noted; and
- (4) the intention to bring a more detailed report to the next meeting be noted.

264. THE VENUE, LORD STREET, SOUTHPORT

The Cabinet considered the report of the Strategic Director of Regeneration and Environmental Services which sought approval to the purchase of the leasehold interest in The Venue Bar in the Arts Centre, Lord Street, Southport.

RESOLVED: That

- (1) approval be given to the purchase of the leasehold interest in The Venue on the basis of the terms and conditions contained within the report;
- (2) the Strategic Director of Regeneration and Environmental Services and Legal Director be given authority to negotiate and agree any

other detailed terms and conditions as may be necessary to complete the transaction;

- (3) it be noted that the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) has been consulted under Rule 15 of the Access to Information Procedure Rules for this key decision to be treated as urgent on the basis that the decision cannot be reasonably deferred because the opportunity has arisen to gain possession of the property required for the development of the Cultural Centre.

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Agenda Item 4

REPORT TO: CABINET MEMBER, CHILDREN'S SERVICES
OVERVIEW & SCRUTINY
CABINET

DATE: 20 JANUARY 2009
27 JANUARY 2009
26 FEBRUARY 2009

SUBJECT: CHILDREN'S PERSONAL SOCIAL SERVICES CAPITAL ALLOCATION:
ADDITIONAL SCHEMES

WARDS AFFECTED: ALL WARDS

REPORT OF: BRYN MARSH
DIRECTOR OF CHILDREN'S SERVICES

CONTACT OFFICER: CHRIS DALZIEL (0151 934 3337)

**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

The purpose of this report is to seek approval for the proposed schemes.

REASON WHY DECISION REQUIRED:

The Cabinet Member has delegated powers to approve the schemes and to refer the funding to Cabinet for inclusion in the 2008/09 Capital Programme.

RECOMMENDATION(S):

The Cabinet Member is recommended to:-

- (i) approve the schemes detailed in this report;
- (ii) refer the proposed expenditure, to be funded from specific resources, to the Cabinet for inclusion in the Children's Services 2008/09 Capital Programme.

KEY DECISION: Yes.

FORWARD PLAN: 10 December 2008.

IMPLEMENTATION DATE: Following the expiry of the "call-in" period for the Minutes of the Cabinet meeting.

Agenda Item 4

ALTERNATIVE OPTIONS:

Not appropriate.

IMPLICATIONS:

Budget/Policy Framework: None.

Financial: There are no financial implications for the Council's general resources as all funding is from specific resources i.e. the Children's Personal Social Services Capital Allocation. The total cost of the schemes detailed in this report is £24,901.

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None.

Risk Assessment: There are no financial risks associated with this report as all funding is from specific resources.

Asset Management: All proposals are in line with Sefton's Asset Management Plan.

CONSULTATION UNDERTAKEN/VIEWS

Not appropriate.

Agenda Item 4

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Report to Cabinet Member/Cabinet 16 September/20 October 2008 Children's Personal Social Services Capital Allocation

Agenda Item 4

CHILDREN'S PERSONAL SOCIAL SERVICES CAPITAL ALLOCATION: ADDITIONAL SCHEMES

1. Background

- 1.1 Sefton MBC has received a Children's Personal Social Services capital allocation of £46,151 in 2008/09 and taking into account current commitments there remains a balance of £24,901 to support further schemes.

2. Proposed Schemes

- 2.1 Members will recall that approval was given in October 2008 to purchase a people carrier for use by the young people at Knowsley Road Children's Home at a cost of £13,000. The latest estimated cost for this vehicle is £15,460 including road tax but exclusive of VAT. It is therefore proposed to commit a further £2,460 to this purchase.
- 2.2 It is proposed to use the balance of available funding £22,441 to refurbish a property in Links Avenue, Southport which houses a small number of children with Special Educational Needs. The property has not received any capital investment for a number of years and it is in need of some modernisation and general improvements.
- 2.3 The main elements of the refurbishment will include redecoration throughout, replacement of light fittings, installation of a new fitted kitchen including new electrical appliances and safety flooring and improvements to the bathroom including mechanical extraction. The window unit in the ground floor living area will be replaced by a new UPVC double glazed unit.
- 2.4 The total cost of the proposals detailed above is £24,901.

Agenda Item 5

REPORT TO: Cabinet
Cabinet Member Communities
Cabinet Member Health and Social Care
Cabinet Member Regeneration
Planning Committee

DATES: 26th February 2009
25th February 2009
18th February 2009
18th February 2009
11th February 2009

SUBJECT: Merseyside Gypsy and Traveller Accommodation Assessment and Regional Spatial Strategy Partial Review draft policies for Gypsies and Travellers and Travelling Showpeople

WARDS AFFECTED: All

REPORT OF: Charlie Barker – Strategic Director of Health and Social Care
Andy Wallis – Planning and Economic Regeneration Director
Bill Milburn - Environmental Protection Director

CONTACT OFFICER: Jim Ohren, Principal Manager, Health and Social Care ☎ 934 3619
Alan Young, Strategic Planning and Information Manager ☎ 934 3551

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

This report summarises the findings of Merseyside Gypsy and Traveller Accommodation Assessment together with the emerging requirements of the Partial Review of Regional Spatial Strategy. It examines the likely implications for Sefton in relation to future additional permanent and transit pitch provision and meeting the housing and support needs of Gypsies and Travellers and Travelling Showpeople. It seeks delegated authority for the relevant Directors to make representations on behalf of Sefton Council to the Regional Spatial Strategy Partial review consultations and subsequent Examination in Public.

REASON WHY DECISION REQUIRED:

A decision is required in order to ensure that the relevant Directors have authority to make representations on behalf of the Council and to guide the preparation of the Local Development Framework's Core Strategy and Development Plan Documents.

Agenda Item 5

RECOMMENDATION(S):

That Planning Committee and Cabinet Members note the report and recommend that Cabinet:

- 1) Note the report and the need to incorporate in the Council's Core Strategy under the Local Development Framework additional Gypsy and Traveller and potentially Travelling Showpeople pitch provision in line with the assessed need as identified in the Merseyside Gypsy and Traveller Accommodation Assessment, other relevant studies and the emerging Regional Spatial Strategy policies.
- 2) Authorise the Planning and Economic Regeneration Director, in consultation with the Strategic Director of Health and Social Care and the Environmental Protection Director, to respond on behalf of Sefton to the consultations around the emerging Regional Spatial Strategy Partial Review policies on Gypsy and Traveller permanent and transit pitch provision and provision for Travelling Showpeople.
- 3) Note that further research work will be needed to identify suitable sites and engage in consultation work.
- 4) Agree to further reports being submitted as details emerge as a result of discussions with sub regional and regional partners.

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: N/A

ALTERNATIVE OPTIONS:

None

IMPLICATIONS:

Budget/Policy Framework: None

Financial: Exact costs are unknown at this time but work to identify sites may require specialist advice and consultation work not currently accounted for in budgets. Purchase of new sites is likely to be covered by a 100% Government grant although availability is not guaranteed. Running costs are not met by Government grant.

<u>CAPITAL EXPENDITURE</u>	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				

Agenda Item 5

REVENUE IMPLICATIONS				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: N/A

Risk Assessment: N/A

Asset Management: N/A

CONSULTATION UNDERTAKEN/VIEWS N/A

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People	✓		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Merseyside Gypsy and Traveller Accommodation Assessment – Salford University Housing and Urban Studies Unit - 2008
 Partial Review of the RSS - Interim Draft Policy for Gypsies and Travellers – 4NW - 2009
 Gypsy and Traveller Accommodation Needs Assessments Guidance – DCLG, Oct 2007

Agenda Item 5

1.0 INTRODUCTION AND POLICY BACKGROUND

- 1.1 The assessment of accommodation and related support needs of Gypsies and Travellers and Travelling Showpeople has become an important focus in the Government's attempts to foster, build and maintain sustainable and inclusive communities. Under Section 8 of the Housing Act 1985 local authorities were required to consider the various accommodation needs of the local population and to carry out periodic reviews in order to provide relevant and appropriate provision to meet these needs. Section 225 of the Housing Act 2004 introduced a specific duty for local authorities to assess the accommodation needs of Gypsies and Travellers within their localities.
- 1.2 Up until the introduction of the Criminal Justice and Public Order Act 1994 local authorities had a legal duty to provide sites for Gypsies and Irish Travellers. This Act removed the obligation for site provision and, as a result, along with a change in the use of land and more land being identified for housing, there are now too few sites to accommodate Gypsies and Travellers that need site provision. Consequently, the lack of permanent and transit sites throughout the country has forced Gypsies and Travellers to camp wherever they can and caused significant levels of overcrowding on authorised sites.
- 1.3 A lack of authorised sites and stopping places has led to a level of tension within some local communities as well as inappropriate accommodation options for Gypsies and Travellers. Gypsy and Traveller Accommodation Assessments (GTAA's) seek to explore the accommodation options that are available to these communities and Travelling Showpeople, and look at what the current needs for different types of accommodation and site provision. This includes looking at the needs, demand, preferences and aspirations of the Gypsies and Travellers and Travelling Showpeople residing in, travelling to and travelling through the local areas both now and over the coming years.
- 1.4 GTAA's are designed to provide the evidence needed to inform housing and planning strategies. However, as well as presenting evidence and information on accommodation needs at an immediate local level the evidence collected and analysis produced have a wider regional role. The assessment of accommodation need and pitch requirements are also to be fed into the Regional Planning Body (RPB) for inclusion into the Regional Spatial Strategy (RSS). The RSS then specifies pitch numbers required (but not their location) for each local planning authority in light of the GTAA's produced and a strategic view of need, supply and demand across the region. The local planning authority's Core Strategy sets out the number of pitches required and Development Planning Document (DPD) then identifies specific sites. The appropriate inclusion of Gypsy and Traveller and Travelling Showpeople (if need is demonstrated) pitches within DPDs will be fundamental in order for such DPDs to be considered sound.
- 1.5 The regional dimension is intended to ensure that all local authorities contribute to resolving the current shortage of authorised site accommodation in a strategic manner, which helps redress current imbalances in the pattern of provision, and enhances the sustainability of the Gypsy and Traveller site network. All authorities across the country are expected to respond to accommodation need where a need has been identified.
- 1.6 The duty under the 2004 Housing Act for local authorities to assess the accommodation needs of Gypsies and Travellers came into force on 2nd January 2007. In pursuance of this statutory duty Sefton along with Liverpool, Wirral and Knowsley commissioned a Merseyside Accommodation Assessment from Salford University. This was funded by a grant from the Government. (St Helens took part in a separate GTAA covering the Cheshire area and West Lancashire in the Lancashire study). This study followed a North West GTAA (May 2007), which found a need for 37 additional pitches between 2006-2016 and no need for Travelling Showpeople pitches. At the same time, the Showmen's Guild, Lancashire Section, commissioned "The Accommodation Situation of Showmen in the Northwest" as they were concerned that a GTAA might not focus adequately on their needs, and this was later supplemented by "The North West's Travelling Showpeople's Current Base Location,

Preferred Base Locations and Operating Patterns”. Sefton Council was not formally consulted on either the methodology or findings of these two studies.

- 1.7 Salford University completed the Merseyside Gypsy and Traveller Accommodation Assessment (GTAA) in February 2008.
- 1.8 The main aim of the Merseyside GTAA was to produce an accommodation needs assessment capable of disaggregation to local authority district level with a comprehensive assessment of existing and future accommodation and wider service needs within each local area. Within this broad aim there were several objectives:
- To produce detailed information about local Gypsies and Travellers in relation to their demographic profile, household formation, current accommodation needs, accommodation related service and support needs and barriers to accessing services.
 - To assess the current and potential future accommodation needs within the Merseyside Study Area
 - To generate reliable estimates of future accommodation need.

2.0 THE METHODOLOGY FOR THE GTAA

- 2.1 Salford University took into account the fact Gypsies and Travellers live in different ways. Some live settled in houses, some are nomadic and some are semi-nomadic, travelling for certain periods out of the year. In line with guidance by central government the assessment was conducted through the following phases:

Phase 1: Collation and review of existing information and literature.

Phase 2: Consultation with various stakeholders

Phase 3: 72 face-to-face interviews with local Gypsies and Travellers

3.0 KEY FINDINGS

- 3.1 The Merseyside GTAA has a number of sections which provides extensive information on a range of factors:
- Analysis of the demographics and characteristics of the local Gypsy and Traveller population
 - Analysis of local authority sites
 - Related analysis of Gypsies and Travellers in houses
 - Analysis of unauthorised encampments
 - Housing-related support issues
 - Employment, education and health issues
 - Accommodation histories, intentions and travelling
 - Household formation and accommodation preferences and aspirations
 - Accommodation of Travelling Showpeople
 - Estimated need for additional residential accommodation
 - Estimated need for additional transit accommodation
- 3.2 An Executive Summary of the Merseyside Assessment is attached to this report for information (Appendix 1).
- 3.3 The GTAA makes a series of 36 recommendations for the Partner Authorities, which recommends action on a number of issues, which are:
- Strategy, systems and policy framework
 - Accommodating transient Gypsies and Travellers
 - Communication and engagement

Agenda Item 5

- Developing accommodation
- Health and housing-related support issues
- Travelling Showpeople accommodation

3.4 The majority of these recommendations emphasise the need for joined-up working to resolve Gypsy and Traveller accommodation issues.

3.5 One particular issue flagged up in the report with relevance to Sefton is the isolation of the Sefton site at Broad Lane, Formby. This, and other matters relating to the existing site, will be considered by officers in conjunction with the corporate Sefton Gypsy and Traveller Steering Group, chaired by Cabinet Member (Communities). The Council has been successful in bidding for grant funding from the Government to improve the facilities on the Broad Lane site in recent years.

3.6 However, the main requirement for a Gypsy and Traveller Accommodation Assessment is to provide an estimate of the need for additional accommodation required for Gypsies and Travellers, and this is the principal focus of this Cabinet Member/Cabinet report.

3.7 Within the Merseyside GTAA accommodation need has been identified at a sub-regional and a local level. This has been done on a 'need where it is seen to arise' basis. Hence, when a quantum of need is identified as part of an assessment covering more than one local authority the need is not apportioned equally amongst the authorities concerned. Rather, it is allocated to the district from where the need is identified as arising. On this basis if a local authority has an existing site or Gypsy and Traveller community it will, in all probability, generate an identified need allocated to that local authority. (This is discussed again in paragraph 4.11. (2) below).

3.8 Permanent Pitches

3.8.1 The table below provides the distribution of extra permanent pitch provision required from 2006-2016 as found in the Merseyside GTAA:

Authority	Current provision	Additional residential pitch requirement (2007-2012)	Additional residential pitch requirement (2012-2016)	Total additional residential pitch requirement (2007-2016)
Knowsley	0	4	1	5
Liverpool	14	11	3	14
Sefton	16	12	4	16
Wirral	0	9	1	10
Study Area	30	36	9	45

3.8.2 The above table relates to permanent pitch provision. In the GTAA recommendations are also made to provision for transit pitches and provision for travelling show people:

3.9 Transit Pitches

3.9.1 The GTAA makes the point that although nomadism and travelling is currently restricted to a certain extent, this remains an important feature of Gypsy and Traveller identity and way of life, if only to visit fairs and family. Some Gypsies and Travellers are still highly mobile without a permanent base and Gypsies and Travellers living on unauthorised encampments commonly experience the worst conditions. The GTAA found an additional need for 10 transit pitches across the Merseyside study area. The GTAA did not specify transit need on a district level, but said that transit provision may need to be implemented in all local authority areas and that the most practical transit site size was 5 pitches. It also said that the partner authorities are in an ideal position to plan, devise and implement a network of transit provision between the local authorities.

3.10 Pitches for Travelling Showpeople

- 3.10.1 The GTAA found no identified need for Travelling Showpeople within the sub region. However, it did note that there is a need to address the needs of Travelling Showpeople in each sub-region by an informed understanding of the circuit of Fairs and working patterns, and that patterns should be monitoring as sub regions cannot be viewed in isolation from one another. The full findings of the two studies prepared by the Showmen's Guild in co-operation with the 4NW have not yet been supplied to Sefton.
- 3.11 It is advised in the report that the results of the apportionment (of permanent pitches) as detailed above should not necessarily be assumed to imply that those needs should actually be met in that specific locality. This distribution reflects the current uneven distribution of pitch provision and the Gypsy and Traveller population across the Merseyside sub-regional area. It is recommended that decisions about where need should be met should be strategic, taken in partnership with local authorities, sub-regional bodies and the Regional Planning Body – involving consultation with Gypsies and Travellers and other interested parties – which will take into account wider social and economic planning considerations such as equity, choice and sustainability.
- 3.12 Accordingly, the Merseyside Chief Executives and Leaders meeting on 25th January 2008 agreed that the Merseyside local authorities work together with sub regional bodies to agree the distribution and numbers of future pitch provision.

4.0 **REGIONAL SPATIAL STRATEGY**

- 4.1 In paragraph 1.4 above mention is made of the fact that the Regional Spatial Strategy (RSS) specifies pitch numbers required (but not their location) for each local planning authority in light of the GTAAs produced and a strategic view of need, supply and demand across the region.
- 4.2 A partial update of the Regional Spatial Strategy for the North West commenced with a Partial Review in the first part of 2008. The North West Regional Assembly (the then Regional Planning Body, now known as 4NW) published a Partial Review consultation document in the form of an options report in June 2008. The review covered a number of planning issues including provision for Gypsies and Travellers and Travelling Showpeople.
- 4.3 The consultation document referred to three options for Gypsies and Traveller provision as follows:
- (1) Use the results of the existing studies to distribute new provision based on identifying 'need where it arises';
 - (2) As above, but subject to the proviso that it is modified to ensure minimum level of pitch provision in every district; and
 - (3) Working with sub regional partnerships and the Gypsy and Traveller Community to agree a more balanced share of meeting needs across districts
- 4.4 With regard to Travelling Showpeople there were three options, similar to the above:
- (1) Use the results of the existing studies to distribute new provision based on identifying 'need where it arises';
 - (2) As above, but subject to the proviso that it is modified to ensure minimum level of pitch provision in every district; and

Agenda Item 5

(3) Working with sub regional partnerships and the Showman's Guild to agree a more balanced share of meeting needs across districts

- 4.5 The options were reported to Planning Committee on 25th June 2008 along with the fact that the Secretary of State had imposed a very restricted 4-week consultation timetable on that consultation stage, with responses to be submitted by 30th June 2008. The report indicated an initial view that option 2 be supported in both cases. However, in the light of the short consultation deadline the Planning Committee resolved that the Planning and Economic Regeneration Director be authorised to agree Sefton's contribution to a joint Merseyside response based on the comments set out in the report.
- 4.6 Subsequently the Merseyside authorities made a joint response via Merseyside Policy Unit, supporting a mix of options 2 and 3. A further informal consultation on pitch numbers in October 2008 proposed 15 additional Gypsy and Traveller and 1 additional Travelling Showpeople pitches by 2016 for Sefton. The Officer-level response re-iterated the June 2008 consultation response.
- 4.7 The process of modifying the pitch numbers has continued at regional level and a set of interim draft policies (including pitch provision figures for Gypsies and Travellers and Travelling Showpeople) were approved by the 4NW (The Regional Leaders Forum, the successor Regional Planning Body to the North West Regional Assembly) on 16th January 2009.
- 4.8 For Merseyside the interim draft policy (Interim Draft Policy L6) recommends increased pitch numbers (permanent and transit pitches) in respect of Gypsies and Travellers as follows:

Authority	Current authorised provision in 2007	Minimum Additional Permanent Residential Pitches Required (2007-2016)	Proposed Provision of Permanent Residential Pitches at 2016	Minimum Additional Transit Residential Pitches Required (2007-2016)
Knowsley	0	10	10	5
Liverpool	14	25	39	5
Sefton	16	30	46	5
Wirral	0	10	10	5
Study Area	30	75	105	20

- 4.9 For Travelling Showpeople the interim draft policy recommends increased provision as follows:

Authority	Current Authorised Provision In 2007	Minimum Additional Plots Required 2007-2016	Proposed Provision Of Plots At 2016
Knowsley	0	0	0
Liverpool	0	0	0
Sefton	0	5	5
Wirral	0	5	5
Study Area	0	10	10

- 4.10 It can be seen from the above that the interim draft policies arising from the RSS partial review contain numbers for additional pitch provision in excess of the numbers identified in the Merseyside Accommodation Assessment. Specifically, in relation to permanent pitch

provision, the RSS interim draft policy review figure is for an additional 30 pitches whereas the GTAA specified an additional 16 in the period to 2016. For transit pitches the Sefton RSS figure is 5 whereas the GTAA specified 10 for Merseyside as a whole, and for Travelling Showpeople the Sefton RSS figure is 5 pitches whereas the GTAA identified no need, (although it recommended monitoring). Furthermore, draft policy L6 requires an additional 3% (compound) increase per annum to account for population increases between 2017 and 2021. Where Core Strategies look beyond 2021, the same rate should be applied. Sefton's Core Strategy has an end date of 2026, so this means the Core Strategy has to provide for additional pitches in all categories (permanent, transit and travelling showpeople) at the compound rate of 3% per annum between 2017 and 2026.

- 4.11 4NW have provided an explanation for the interim draft RSS policy figures being higher than those in the Merseyside GTAA as follows:
- (1) In addition [to the GTAA findings] an allowance has been made to address the issue raised by the Gypsy and Traveller community of "hidden" overcrowding on existing sites and concealed Gypsy and Traveller households who currently reside on other caravan sites and holiday parks, who for various cultural and management reasons remain undetected in GTAAs.
 - (2) Gypsy and Traveller accommodation needs are identified in GTAAs on a 'need where it is seen to arise' basis. However, the results of these apportionments should not necessarily be assumed to imply that those needs should actually be met to the identified degree in these specific localities. This distribution reflects the current uneven distribution of pitch provision and the Gypsy and Traveller population across the region. Because of the historical inequalities in pitch provision, Gypsies and Travellers have constrained choices as to where and how they would choose to live if they had real choice. Over time, this has inevitably meant that Gypsies and Travellers have generally moved to areas they see as offering the best life chances; for example, an authority which provides a site; an authority which is perceived as having more private authorised sites than others; or, an authority that is attractive in some other way (slower enforcement, transport links, friends and family resident, etc.). Therefore, there is a tendency, when the need for additional accommodation is assessed in GTAAs, for the needs assessment to further compound these inequalities in site provision. For example, authorities that already provide Gypsy and Traveller accommodation (publicly or privately) are assessed as having greater need for additional pitch provision than authorities with little or no pitch provision. This is compounded further the longer-term the assessment is made (i.e. to 2016).
 - (3) The methodology clearly builds upon the evidence base whilst taking into account the strong messages from the options stage consultation and the clear policy direction advocated by sub regional elected members since Spring 2008, at successive meetings of 4NW's Regional Leaders Forum, Regional Planning Group and Regional Housing Group, that the policy and pitch provision should be developed as follows: "Working with sub-regional partnerships and the Gypsy and Traveller Community agree a more balanced share of meeting need across districts, reflecting a wider range of factors other than solely the 'need where it arises' basis. This would see pitch provision distributed to meet the requirements for Gypsies and Travellers, so that they had the same chance to enjoy equal (or comparable) access to services and facilities, social land economic opportunities, as the settled community, and thus contribute towards community cohesion and sustainable communities."
 - (4) The current pattern of provision of accommodation for Gypsies and Travellers is concentrated in particular parts of the region as explained above. In light of feedback from the Options Consultation stage, the distribution of additional pitches in Interim Draft Policy L6 seeks to broaden the choice available to the Gypsy and

Agenda Item 5

Traveller community by providing some pitches in areas where previously little provision has been made. It also seeks to assist the delivery of pitches by widening the geographic distribution to increase provision in areas beyond those where the highest level of need is currently evident. However, the distribution of additional pitches remains to a significant degree concentrated in parts of the region where Gypsies and Travellers currently reside...."

- 4.12 The RSS interim draft policy is subject to a consultation period running until 4th March 2009, and a statutory 12-week consultation will take place during summer 2009. 4NW have also set up a series of meetings across the region during February 2009 in an effort to sit down with Gypsies and Travellers, Travelling Showpeople and officer representatives from Local Authorities and others to discuss Gypsy and Traveller and Travelling Showpeople Site allocations. Officers from Sefton will be attending the meetings.
- 4.13 The new higher numbers proposed for Sefton do not appear to reflect the logic of the 4NW explanation in that it greatly increases an existing uneven distribution of the burden within the Merseyside sub region. Sefton officers have not been seen the full reports justifying the Travelling Showpeople pitch numbers, but question the need for such provision given Sefton and Merseyside's lack of travelling fairs and being some distance from the main transport network. Subject to further adequate explanation being received the figures will therefore be strongly challenged.
- 4.14 After 4th March 2009 4NW officers will analyse the feedback and revise the policies and pitch provision as appropriate. It is envisaged that at the 10th July 2009 meeting of the 4NW Regional Leaders Forum members will then be asked to approve the final version of the draft policies. A 12-week formal public consultation exercise will then take place, followed by an Examination in Public in late 2009.

5.0 FUTURE IMPLICATIONS

- 5.1 Clearly the assessed need for additional pitches has many implications for Sefton: as a local planning authority; as a site provider and landlord; in relation to supporting vulnerable groups; in ensuring fair access to housing choices; and in securing continuing community cohesion.
- 5.2 In relation to planning for additional pitch provision, the additional need as assessed by the GTAA (and, in due course, the RSS) will need to inform and be incorporated into the Council's Local Development Framework (LDF). Sefton's overall strategy for providing sites for Gypsies and Travellers will need to be set out in the LDF Core Strategy.
- 5.3 The Core Strategy document is currently in preparation. Gypsies and Travellers will be amongst the groups to be included in the consultation and preparation of the document. The Core Strategy consultation will be carried out up until October 2009 and the adoption date is expected to be around April 2011.
- 5.4 The specific allocation of sites will need to be via the Allocations DPD. It is anticipated that the start of preparation of this will be around May 2010. It is expected to be adopted in June 2012.
- 5.5 Before the adoption of the Core Strategy and the Allocations DPD the short term strategy for meeting the housing requirements of Gypsies and Travellers will be to identify suitable sites from those sites identified in the Strategic Housing Land Availability Assessment (SHLAA), pending the provision of more permanent pitches. It is anticipated that the outcome of the SHLAA will be known in April/May 2009. Whilst not anticipating the outcome of the SHLAA and the associated option appraisal it does seem clear that, particularly for mid Sefton, finding suitable sites will be challenging and is likely to require additional funding for site search and appraisal and community consultation. This is especially the case if Sefton has to provide pitches for Travelling Showpeople, as they need adequate space for fairground

equipment, which makes them less suitable for residential areas due to amenity issues.

- 5.6 In addition to this, Sefton officers still believe that the Merseyside local authorities need to work together to agree a fair sub-regional distribution of pitches in conjunction with Regional Planning Officers from 4NW. Collaborative work on the process for identification of sites and criteria for options appraisals may also take place, although this is not yet agreed with the other Merseyside authorities.
- 5.7 It should be noted that the Government does make available, through annual bidding rounds, 100% grant aid for providing additional pitches/new sites once they are identified. Running costs are defrayed via rents and service charges and are not covered by Government grant.
- 5.8 At this stage outlining a more detailed timetable over and above that indicated above is not possible. Clearly much will depend upon workshops and liaison with 4NW, the partial review of the RSS, detailed appraisal of sites arising from the SHLAA and the outcome of community consultations. The outcome of this work will form the subject of further reports to Cabinet Members and Cabinet. Other questions such as arrangements for the financing and management of future new sites(s) will also be addressed in future reports.

6.0 CONCLUSION

6.1 In summary:

1. There is a statutory duty to assess the accommodation needs of Gypsies and Travellers.
2. Assessed need must be incorporated into local housing and planning policy via the Local Development Framework Core Strategy and Development Plan Documents in order for them to be considered sound.
3. Sefton's assessed need, for the period to 2016, as currently modified via the interim draft RSS policy, is for 30 additional permanent pitches, 5 transit pitches and 5 pitches for Travelling Showpeople. By 2026, the end of the Core Strategy, the pitch numbers will be need to be increased by 3% compound per annum between 2016 and 2026.
4. The interim draft RSS policy is currently being consulted upon, with further consultation in Summer 2009, and the Sefton figures are being questioned and challenged by Officers via the consultation.
5. Further reports will be submitted in due course.

7.0 RECOMMENDATIONS

7.1 That Planning Committee and Cabinet Members note the report and recommend that Cabinet:

1. Note the report and the need to incorporate in the Council's Core Strategy under the Local Development Framework additional Gypsy & Traveller and potentially Travelling Showpeople pitch provision in line with the assessed need as identified in the Merseyside Gypsy and Traveller Accommodation Assessment, other relevant studies and the emerging Regional Spatial Strategy policies.
2. Authorise the Planning and Economic Regeneration Director, in consultation with the Strategic Director of Health and Social Care and the Environmental Protection Director, to respond on behalf of Sefton to the consultations around the emerging Regional Spatial Strategy Partial Review policies on Gypsy & Traveller permanent

Agenda Item 5

and transit pitch provision and provision for Travelling Showpeople.

3. Note that further research work will be needed to identify suitable sites and engage in consultation work.
4. Agree to further reports being submitted as details emerge as a result of discussions with sub regional and regional partners.

Merseyside Gypsy and Traveller Accommodation Needs Assessment

Executive Summary

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February 2008



Agenda Item 5

The Study

Recent legislation and guidance from the government has indicated a commitment to taking steps to resolve some of the long standing accommodation issues for members of the Gypsy and Traveller communities. This legislation has an overarching aim of ensuring that members of the Gypsy and Traveller communities have equal access to decent and appropriate accommodation options akin to each and every other member of society. As a result, a number of Gypsy and Traveller Accommodation Assessments (GTAAs) are now being undertaken across the UK, as local authorities respond to these new obligations and requirements.

This research and report were commissioned by four authorities within Merseyside (Knowsley Metropolitan Borough Council, Liverpool City Council, Sefton Metropolitan Borough Council and Wirral Metropolitan Borough Council¹) in June 2007. The study was conducted by a team of researchers from the Salford Housing & Urban Studies Unit at the University of Salford. The study was greatly aided by research support and expertise from members of the Gypsy and Traveller communities. The study was managed by a Steering Group composed of members representing the commissioning authorities.

The assessment was undertaken by conducting:

- A review of available literature, data and secondary sources;
- A detailed questionnaire completed by housing and planning officers;
- Consultations with key stakeholders; and
- A total of 72 interviews with Gypsies and Travellers from a range of tenures and community groups.

Background

Following the Housing Act 2004, local authorities have been preparing to develop and implement strategies to respond to the accommodation needs of the Gypsy and Traveller communities living in their areas as part of their wider housing strategies and the Regional Housing Strategy (RHS). Gypsy and Traveller Accommodation Assessments (GTAAs) are designed to provide the evidence needed to inform these strategies. However, as well as presenting evidence and information on accommodation needs at an immediate local level the evidence collected and analysis produced has a wider regional role. The assessment of accommodation need and pitch requirements are also to be fed into the Regional Planning Body (RPB), in this case the North West Regional Assembly (NWRA), for inclusion into the Regional Spatial Strategy (RSS). The RSS then specifies pitch numbers required (but not their location)

¹ For ease, these are referred to only by the borough or city name throughout this document

Agenda Item 5

for each local planning authority (LPA) in light of the GTAA's conducted and a strategic view of need, supply and demand across the region is taken. The local planning authority's Development Planning Document (DPD) then identifies specific sites to match pitch numbers from the RSS.

Main Findings

Local Gypsies and Travellers and accommodation provision

There is no one source of information about the size of the Gypsy and Traveller population in the Study Area. Our best estimate is that there are at least 396 local Gypsies and Travellers

There is only one form of accommodation provision, socially rented provision, for Gypsies and Travellers in the Study Area. There are no authorised private sites and no unauthorised developments. There were also no yards for Travelling Showpeople in the Study Area.

There are **2 socially rented sites** in the Study Area (Liverpool and Sefton) together providing 30 pitches. These sites accommodate 123 individuals. Residents on both sites have access to a water supply, electricity, rubbish collection, amenity blocks and WC. The sites have different management arrangements; the Liverpool site is owned by Liverpool City Council and managed by a dedicated site manager, the Sefton site is owned by Sefton Metropolitan Borough Council and managed by a warden, who is a member of the Gypsy and Traveller community, who lives on the site. Residents on the sites expressed ambivalent to negative views towards their sites, particularly in relation to the design and location as well as the size of pitches.

Unauthorised encampments

The Caravan Count in January 2007 recorded 0 caravans on unauthorised encampments (on land not owned by Gypsies and Travellers). Records kept by the local authorities show that the Study Area experienced around 22-27 encampments over the previous full calendar year (2006). Most authorities saw this as broadly reflective of previous years with only Wirral stating that their number was unusually high as a result of an event that particular year. According to the authorities the average encampment size was just over 5 caravans. Most encampments stayed for a relatively short period of time with the average duration being just under 1 week. There was generally an even spread of encampments with around 4/5 encampments in each of the four authorities per year.

No authority currently has a formal written policy for managing unauthorised encampments.

The number of interviews which occurred with households on unauthorised encampments over the fieldwork period was incredibly low – with only 2 interviews achieved. This was due to an abnormally low number of unauthorised encampments featuring in the areas over the fieldwork period (June-October 2007). Both of these households wanted residential accommodation in the Liverpool area.

Gypsies and Travellers in bricks and mortar housing

The inclusion of Gypsies and Travellers in local authority housing and homelessness strategies is the exception rather than the rule at present. No local authority was able to reliably quantify the number of Gypsies and Travellers in social or private bricks and mortar housing. It is estimated that there are at least 70 Gypsy and Traveller households in bricks and mortar housing although it is also believed that this may be a significant underestimate.

A total of 49 households living in bricks and mortar housing across the Study Area were interviewed. Almost a fifth of respondents were owner-occupiers, more than half were council tenants, with the remainder either RSL or private tenants. Around two-thirds of households still retained a trailer. The vast majority of respondents viewed their home either positively or ambivalently. Almost a third of respondents had lived in their accommodation for 5 years or more, and half had lived there for between 1 and 5 years. Only one respondent was planning to leave their accommodation in the future.

A fifth of all respondents had lived in a house at some point in the past.

Characteristics of local Gypsies and Travellers

The survey of Gypsies and Travellers identified some of the important characteristics of the local population.

Household size is significantly larger than in the settled/non-Traveller population at 4 persons across the whole sample

A significant minority of the sample (18%) were households over 60 years of age.

Young families are the predominant household type in the Study Area as a whole. There are more couples in bricks and mortar housing than on site based accommodation – these couples tend to be older at 60+ years.

More than half of respondents felt they were 'local' to the area they were residing in. 'Family connections' was the main reason given when respondents were asked why they were living where they were.

Agenda Item 5

The local population consists almost entirely of Irish Travellers (60%) and Romany Gypsies (English) (31%) with much smaller numbers of others who described themselves as Welsh Gypsies/Travellers, Scottish Gypsies/Travellers or the more generic 'Traveller'.

Around a fifth of respondents had school age children who did not regularly attend school or receive home education.

The Gypsy and Traveller population was largely sedentary. However, around two-fifths of households on sites travelled during the year – mostly seasonally – with two-thirds of bricks and mortar households travelling at some point every year.

Respondents tended to travel to numerous locations across the UK. Appleby Fair was a particular draw as was various destinations along the route of the M62.

Gypsies and Travellers and housing-related support

Both Liverpool and Wirral receive Supporting People funding for BME groups who can provide support to Gypsies and Travellers if needed – particularly around homelessness.

The kind of housing-related services Gypsies and Travellers expressed an interest in receiving assistance with included: services around harassment, accessing health care, accessing legal services, claiming benefits, support with planning, filling in forms, finding accommodation, and accessing legal services.

Accommodation preferences and aspirations

All households were asked whether there was anyone living with them who were likely to want their own accommodation over the next 5 years. Overall, 20 households reported that there was, which equated to 29 individuals who will require their own accommodation by 2012.

There was support for the creation of additional long-stay residential sites within the Study Area with a quarter of respondents interested in moving to a new residential site – this included half of the households who were currently accommodated on sites within the Study Area. Respondents voiced a preference for residential sites with a pitch capacity of around 20 pitches.

Just over one in ten of respondents wanted to see the development of more transit/short-stay sites in the Study Area. Interest was mainly shown from households from bricks and mortar accommodation which suggested that the creation of more authorised short-stay accommodation would enable an increase in family visits to the area and help to maintain the tradition of travelling as well as providing support to individuals who are 'settled' in more permanent accommodation. It was said that such sites should be around 10-20 pitches in size with a large number of people expecting to use the site for between 1-4 weeks.

Respondents were asked to comment on a range of differing accommodation/tenure types in order to ascertain their preferences. The clear preference was for a small private site which they/their family owned, followed by a family owned house, followed by a site owned by the local authority. Living on a site owned by a private landlord or a Gypsy/Traveller was the least favoured option – this highlights the importance that good management plays in sites.

Accommodation need and supply

Nationally, there are no signs that the growth in the Gypsy and Traveller population will slow significantly. The supply of additional authorised accommodation has slowed since 1994, but the size of the population of Gypsies and Travellers does not appear to have been affected to a great extent. Instead, the way in which Gypsies and Travellers live has changed, with increases in unauthorised accommodation, innovative house dwelling arrangements (living in trailers in the grounds of houses), overcrowding on sites and overcrowding within accommodation units (trailers, houses, chalets, etc.).

The ‘models’ for assessing the requirement for additional residential pitches, for Gypsies and Travellers, have developed significantly over the past few years. The calculation used here is an adaptation of the example provided by the CLG.² The calculation for years 1-5 (2007-2012) takes account of need arising from the following indicators: expiry of temporary planning permissions, household growth, need from unauthorised developments, movement between sites and housing, need from closing sites, and need from households on unauthorised encampments. On the supply side the calculation takes account of: pitch vacancies on socially rented sites, unused pitches, and known/planned developments of sites/pitches. These calculations are estimates based on information drawn from: local authority information, knowledge of key stakeholders, survey findings and assumptions based on the professional experience of the study team and consistencies from other GTAA’s.

Additional requirements beyond 2012 are based on estimated household growth. This is assumed to be a 3% increase each year following commonly accepted assumptions as to the growth of the population.³

Transit requirements (2007-2012) are calculated by the average number of households on unauthorised encampments seeking a transit/short-stay pitch in the area; an allowance for vacancies is included in order to manage their operation effectively. No further transit provision is estimated to be required

² CLG (2007) *Gypsy and Traveller Accommodation Needs Assessments – Guidance*. London: HMSO.

³ Household growth rates of 2% and 3% a year were suggested as appropriate in Pat Niner, *Local Authority Gypsy/Traveller Sites in England*, ODP, 2003. A 3% growth rate was also used in the recent report from Communities and Local Government (2007) *Preparing Regional Spatial Strategy reviews on Gypsies and Travellers by regional planning bodies*. HMSO

Agenda Item 5

beyond 2012 on the assumption that the level of travelling will not increase in the foreseeable future and other surrounding local authorities will also have developed appropriate transit options.

The table below summarises estimated requirements. The split between local authorities is indicative only and based on evidence of **'need where it arises'** and this reflects the current uneven distribution of the Gypsy and Traveller population across the Merseyside sub-regional area. The numerical results of this apportionment should not necessarily be assumed to imply that those needs should actually be met in that specific locality.

It is recommended that decisions about where need should be met be strategic, taken in partnership with local authorities, sub-regional bodies and the North West Regional Assembly – involving consultation with Gypsies and Travellers and other interested parties – which will take into account wider social and economic planning considerations such as equity, choice and sustainability.

Table i: Residential accommodation need arising from existing district level Gypsy and Traveller populations

Authority	Current provision	Additional residential pitch requirement (2007-2012)	Additional residential pitch requirement (2012-2016)	Total additional residential pitch requirement (2007-2016)	Total additional transit pitch provision (2007-2016)
Knowsley	0	4	1	5	10
Liverpool	14	11	3	14	
Sefton	16	12	4	16	
Wirral	0	9	1	10	
Study Area	30	36	9	45	10

Note: For pragmatic reasons these figures have been rounded up to the nearest whole pitch

Recommendations

The overarching recommendation resulting from this assessment is that the authorities across the Study Area engage pro-actively to meet the accommodation needs that have been identified as a result of this assessment and that a strategic joined-up approach is taken. More specifically a number of recommendations have been made for the Partner Authorities – these can be found in the main report.

Agenda Item 6

REPORT TO: Cabinet Member Technical Services
Cabinet

DATE: 25th February 2009
26th February 2009

SUBJECT: Parking Charges – Bootle Leisure Centre and Dunes Leisure Centre

WARDS AFFECTED: Linacre & Dukes

REPORT OF: A Wallis Planning & Economic Regeneration Director

CONTACT OFFICER: Dave Marrin – Traffic Services Manager
0151 934 4295

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To propose amendments to the parking charges at Bootle Leisure Centre & Dunes Leisure Centre

REASON WHY DECISION REQUIRED:

To maintain budgets, protect the car parks for the users of the facilities and to simplify the charging structure

RECOMMENDATION(S):

1. That Cabinet Member Technical Services recommend the Cabinet to approve the changes to parking charges as set out in Appendix 1
2. That Cabinet approve the changes to parking charges as set out in Appendix 1

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: April 2009.

Agenda Item 6

ALTERNATIVE OPTIONS:

As discussed in report.

IMPLICATIONS:

Budget/Policy Framework:

Financial: There are no financial implications as a result of this report

<u>CAPITAL EXPENDITURE</u>	2006/ 2007 £	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: N/A
Risk Assessment: N/A.

Asset Management: N/A.

CONSULTATION UNDERTAKEN/VIEWS
Leisure Services

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Agenda Item 6

1.0 Background

- 1.1 The Cabinet meeting of the 27th November 2008 considered a report on the Sefton Parking Plan, and approved the Parking Service Budget for the period 2009/10 to 2013/14
- 1.2 The Parking Services Budget and in particular the proposed increases in charges have a number of implications on the operation of car parks operated by the Parking Service on behalf of the Leisure Services Department
- 1.3 Discussions with the Leisure Director have led to the following proposals to changes to the charges on the Bootle and Dunes Leisure Centre Car Parks.

2.0 Bootle Leisure

- 2.1 Charges were increased on the Bootle New Strand Car Park in June 2007. The principle change was to increase the charge for over 4 hours parking from £2.50 to £3.20.
- 2.2 Monitoring of the car park and the Bootle Leisure Centre Car Park, has revealed that commuter (long stay) parkers have transferred from the Bootle New Strand Car Park to the Bootle Leisure Centre Car Park due to the lower charge for all day parking on the Leisure Centre Car Park.
- 2.3 In view of the above, in order to ensure that the Bootle Leisure Centre Car Park does not become dominated by commuters and to keep spaces available for users of the centre, it is proposed that the charges on this car park be amended to bring the charge for parking 4 hours and above into line with the Bootle New Strand Car Park. This charge will be £3.50 from April 2009 as indicated in Appendix 1.
- 2.4 Users of the facility will continue to have their parking fee refunded up to the maximum of 2 hours
- 2.5 No additional income is shown from this increase as it is anticipated that motorists will return to parking at the New Strand Car Park, freeing up spaces for Leisure Centre Users.

3.0 Dunes Leisure

- 3.1 Seasonal Charges currently apply to the car parks which serve Dunes Leisure Centre and Splashworld
- 3.2 These charges can cause confusion for motorists and have led to Penalty Charge Notices being issued to motorists who have paid the incorrect fee.
- 3.3 It is suggested that the seasonal tariffs be combined into a tariff which applies all year round as indicated in Appendix 1
- 3.4 Again no additional income is shown from this increase as some charges will increase whilst some will decrease and the net effect will be negligible on income. The majority of use of this car park is for up to two hours by users of the facility who will continue to have their parking fee refunded up to the maximum of 2 hours. The increase in the charge for parking for 4 hours or more will discourage long term parking by motorists who are not using the facility

Appendix 1

Bootle Leisure Car Park

Stay	Current Charge	Proposed Charge
Up to 1 Hour	0.40	No change
Up to 2 Hours	0.80	No Change
Up to 4 Hours	1.50	No Change
4 Hours +	2.20	3.50

Dunes Leisure Car Park Summer Charges (April – September)

Stay	Current Charge	Proposed Charge
Up to 1 Hour	0.70	0.50
Up to 2 Hours	1.20	1.00
Up to 4 Hours	2.20	2.50
4 Hours +	2.20	3.50

Dunes Leisure Car Park Winter Charges (October – March)

Stay	Current Charge	Proposed Charge
Up to 1 Hour	0.40	0.50
Up to 2 Hours	0.60	1.00
Up to 4 Hours	1.20	2.50
4 Hours +	2.00	3.50

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Agenda Item 7

REPORT TO: Cabinet

DATE: 26 February 2009

SUBJECT: Local Leadership and Public Trust:
Committee on Standards in Public Life

**WARDS
AFFECTED:** All

REPORT OF: Legal Director

**CONTACT
OFFICER:** Caroline Elwood
0151 934 2032

**EXEMPT /
CONFIDENTIAL:** No

PURPOSE / SUMMARY:

To report on the 12th Inquiry of the Committee on Standards in Public Life which deals with openness and accountability in Local and London Government seeking comments on a number of issues. There is also the opportunity to apply to give evidence at one of the number of Public Hearings to be held throughout the UK in early Spring.

REASON WHY DECISION REQUIRED:

This is an initial issues and questions paper to stimulate debate.

RECOMMENDATION(S):

1. That Members note the report.
2. That Members determine whether they wish to comment on any of the issues raised.
3. That Members determine if they wish to apply to give formal evidence at one of the Public Hearings.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: Following the expiry of the 'call-in' period for the minutes of the meeting

Agenda Item 7

ALTERNATIVE OPTIONS:

Not to respond to the Consultation Paper at this stage

IMPLICATIONS:

Budget / Policy Framework: Not applicable

Financial: Not applicable

<u>CAPITAL EXPENDITURE</u>	2006/ 2007 £	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: Not applicable

Risk Assessment: Not applicable

Asset Management: Not applicable

CONSULTATION UNDERTAKEN / VIEWS

Overview & Scrutiny Management Board Standards Committee Members
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CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT
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12 th Inquiry of the Committee on Standards in Public Life – Issues and Questions Paper
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Agenda Item 7

1.0 BACKGROUND:

- 1.1** The Committee on Standards in Public Life was originally set up in October 1994 to examine concerns about standards of conduct of all holders of public office and to make recommendations to ensure the highest standards of propriety in public life. In 1997 additional terms of references tasked the Committee with reviewing issues in relation to the funding of Political Parties. The current Inquiry will look at how well the governance arrangements for London and Local Government across the UK do reflect the seven principles of public life (see **Annex A**) with particular emphasis on the principles of leadership, openness and accountability. It is also intended to examine the impact governance arrangements have had on public trust and confidence in public office holders.
- 1.2** The current Inquiry is concerned with how well the seven principles of public life are promoted by the current structure within Local and London governance. The Committee has already been tracking public attitudes towards the conduct of public office holders in various professions since 2004. It has recently published the results of its third survey revealing 45% of people trust Local Councillors to tell the truth, with 35% trusting Senior Managers in Local Government. The Committee would welcome views and evidence about levels of public confidence and trust, factors influencing levels and confidence in trust and is particularly interested in the impact on the type of governance and decision making on public perception.
- 1.3** This first Consultation Paper sets out issues and questions which seem most relevant to the Committee at this early stage. The Committee does not consider itself restricted to the questions asked which are intended to stimulate and focus public debate and invite responses. The Committee would welcome written submissions on all or any of the subjects in the Consultation Paper. There is no need or requirement for respondents to answer every question or to confine questions to the specific questions in the Paper. Relevant extracts from the Consultation Paper are set out at **Annex B**. Comments are sought on the following issues:-
- **Leadership and Decision Making** (paragraph 2.19) - views and evidence are sought on whether certain models of leadership or decision making in Local Government (ie. elected mayors, leader and cabinet, committee system or other models) better support or reflect the seven principles of public life
 - **Openness and Accountability** (paragraph 2.29) - views and evidence are sought on how well the provisions to support openness and accountability in Local Government work in practice
 - **Role and Accountability** (paragraph 2.37) - views and evidence are requested on whether the roles and responsibilities of Senior Officers

are clearly defined and understood by the public, how well Senior Officers are held to account and their role in supporting the accountability framework

- **Accountability and Partnerships** (paragraph 2.40) – views and evidence are sought on how Local Authorities ensure openness and accountability when working in partnership

2.0 The closing date for submissions is 25th February 2009 but permission has been sought in view of the Council's committee cycle for submissions to be sent shortly after this meeting. In addition it is intended to hold a number of Public Hearings throughout the United Kingdom, relevant provisional dates are:-

- Birmingham – 30th April 2009
- London – 12th March, 23rd April, 19th May 2009

3.0 Copies of this Report and the Paper have been circulated to the Council's Overview & Scrutiny Management Board and copies sent to the Members on the Council's Standards Committee. Views are sought on whether Members wish to make comment on any of the issues raised or alternatively wish to apply to give formal evidence at one of the Public Hearings.

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The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

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Annex B

**Local Leadership and Public Trust:
Openness and Accountability
in Local and London Government**

ISSUES AND QUESTIONS PAPER

12th Inquiry of the Committee on Standards in Public Life

DECEMBER 2008

Agenda Item 7

Contents

CHAPTER 1. INTRODUCTION	2
The Committee and its terms of reference	2
The scope of the inquiry.....	2
Why the Committee is undertaking this inquiry	3
Local Leadership and the Seven Principles of Public Life	3
Local leadership and public confidence and trust	5
Purpose of the consultation paper	5
How to submit evidence.....	5
Public hearings	6
CHAPTER 2. LOCAL GOVERNMENT	7
Background	7
Local government: leadership and decision-making.....	7
England	8
Wales.....	9
Scotland.....	9
Northern Ireland.....	10
Local government: openness and accountability.....	11
Local government officers: role and accountability.....	13
Local government accountability and partnerships.....	15
CHAPTER 3. LONDON GOVERNMENT	16
Background	16
London governance.....	16
Leadership and decision-making within the Greater London Authority.....	16
Role of the Assembly: accountability of the Mayor and Assembly.....	17
Appointments within the Greater London Authority	19
Relationships and accountability beyond City Hall	20
The Greater London Authority and the four functional bodies	20
The Greater London Authority and the London boroughs.....	21
The Greater London Authority and central government.....	22
ANNEX A. SUMMARY OF ISSUES	24
ANNEX B. PREVIOUS REPORTS	25

CHAPTER 1. INTRODUCTION

The Committee and its terms of reference

- 1.1. The Committee on Standards in Public Life was set up in October 1994 by the then Prime Minister, Rt. Hon. Sir John Major. Its terms of reference are:

'To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.'

- 1.2. In November 1997, the then Prime Minister, the Rt. Hon. Tony Blair announced additional terms of reference:

'To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.'

- 1.3. This inquiry is located within these combined terms of reference.

- 1.4. The Chair of the Committee is Sir Christopher Kelly. The other members of the Committee are Lloyd Clarke, Oliver Heald MP, Baroness Maddock, Rt. Hon. Alun Michael MP, Sir Derek Morris, Dame Denise Platt, Dr Elizabeth Vallance and Brian Woods-Scawen.

The scope of the inquiry

- 1.5. There are currently 388 local authorities in England, 22 in Wales, 32 in Scotland and 26 in Northern Ireland. Depending on their status and size they are responsible for a wide range of vital services including education, social care, refuse collection, leisure facilities and planning. The London Mayor provides strategic governance for London, is responsible for developing strategies to improve the city, and runs transport services in London.
- 1.6. This inquiry will review how well the governance arrangements for London and local government across the United Kingdom reflect the Seven Principles of Public Life, with a particular emphasis on leadership, openness and accountability. It will also examine what impact these governance arrangements have had on public trust and confidence in public office holders in local and London government.
- 1.7. There are a number of constitutional issues related to local government that the Committee will not be examining, except in so far as they relate to the Committee's interest in the Seven Principle of Public Life. They are:

Agenda Item 7

- How local government is funded.
- The merits of the current restructuring of some local authorities in England.
- The role and functions of local government in England, Northern Ireland, Scotland and Wales.

1.8. Respondents should also note that **the Committee's terms of reference specifically preclude it from investigating individual cases or specific allegations of misconduct. Nor has the Committee any powers to require others to do so.** But the Committee may take account of information on material cases in formulating its recommendations.

Why the Committee is undertaking this inquiry

Local Leadership and the Seven Principles of Public Life

1.9. The Committee set out Seven Principles of Public Life in its first report. These principles attempt to capture values that are intrinsic to the nature of public office in a modern, representative democracy.

1.10. Since its inception in 1994 the Committee has been undertaking inquiries into, and advising on, how the Seven Principles can be wedded into the fabric of public life in the United Kingdom.

1.11. The Committee first examined standards of conduct in local government in England, Scotland and Wales in its third report (1997).¹ It made 39 recommendations which were designed to facilitate the implementation of the Seven Principles of Public Life in local government. These recommendations focused on the management and enforcement of standards of conduct, but included other areas as well, such as protocols on member-officer relations; a review of working methods to identify barriers to serving on councils; and rules on openness in planning.

1.12. In 2004-05, the Committee returned to the issue of the management and enforcement of codes of conduct in local government in the light of concerns from the sector.² It reiterated its call for a local system for investigating alleged breaches of the member code of

SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Integrity

Objectivity

Accountability

Openness

Honesty

Leadership

¹ *Standards in Public Life: Standards of Conduct in Local Government in England, Scotland and Wales*, CM3270-1

² *Getting the Balance Right: Implementing Standards in Public Life*, CM 6407

conduct. Such a system has now been introduced.

1.13. The way in which decisions are made in towns and cities including London has changed significantly since our last full review of local government. Local authorities in England and Wales have moved away from the traditional committee system of making decisions, and have adopted executive models of decision-making. There are now 13 directly elected mayors in England – The Mayor of London and 12 local authority mayors.³ Many other areas across the United Kingdom have switched to a leader and cabinet model. Only Northern Ireland fully maintains a committee system across the region. These changes are explained in more detail in Chapters 2 and 3.

1.14. The Government envisaged that these new executive structures would promote better leadership and more effective decision-making, while also improving accountability to local people. The White Paper which proposed the new structures in England and Wales stated:

*'Councils need new structures which create a clear and well known focus for local leadership. Local people should know who takes decisions, who to hold to account, and who to complain to when things go wrong.'*⁴

1.15. A similar aspiration lay behind the creation of the current London governance arrangements.

1.16. The Committee takes the view that openness and the culture of transparency that it fosters are powerful tools for ensuring the proper conduct of public business. They are a necessary prerequisite for holding public office holders to account. It also recognises that that there are multiple approaches to local governance and that different models of accountability might be appropriate for different localities.

1.17. This inquiry is concerned with how well the Seven Principles of Public Life are promoted by the current structures of local and London governance. One of those principles, accountability, has been brought into sharp focus recently by incidents involving children's services in England. The Committee would welcome views and evidence on how power is exercised, i.e. how decisions are being made in local and London government and whether, in practice, the standards of openness and accountability embodied in the Seven Principles of Public Life are being met.

³ Soon to be 11, following the referendum vote in Stoke on Trent to move towards the leader and cabinet model.

⁴ *Modern Local Government: in touch with the people*, CM 4014

Agenda Item 7

Local leadership and public confidence and trust

- 1.18. The Committee has been tracking public attitudes towards the conduct of public office holders, including levels of trust in various professions since 2004. It has recently published the results of its third survey which reveals that 45 per cent of people trust local councillors to tell the truth, with the percentage that trust senior managers in local authorities to tell the truth being lower, at 35 percent.⁵
- 1.19. Underlying the move to new executive structures and the creation of a strategic authority for London was the notion that stronger and more visible local leadership combined with a suitable system of checks and balances would improve public trust and confidence in local and London government.
- 1.20. The Committee would welcome views and evidence about levels of public confidence and trust, and factors that influence levels of confidence and trust, in local and London government. It is particularly interested in the impact, if any, of the mode of governance and decision-making on public perceptions.

Purpose of the consultation paper

- 1.21. This consultation paper seeks views on aspects of the governance arrangements for London government and local government across the United Kingdom.
- 1.22. The full scope of the inquiry will depend upon the evidence received. This paper sets out the issues which seem most relevant at this stage. But the Committee does not consider itself restricted to the questions asked here. The issues and questions sections of the paper are intended to stimulate and focus public debate and to invite responses. For convenience, a complete list of the issues is set out in Annex A. The questions are not exclusive, nor intended to preclude comments on other related issues.

How to submit evidence

- 1.23. The Committee would welcome written submissions on any or all of the subjects raised in this consultation paper. **There is no need or requirement for respondents to answer every question or to confine submissions to the specific questions in the paper.** Respondents are encouraged to set out fully the evidence in support of their views. Where respondents are not satisfied with present arrangements or approaches, they are encouraged to describe how to amend, improve or replace them. The Committee is also interested in receiving examples of good practice.
- 1.24. All submissions, with the exception of those that appear to the Committee to be

⁵ Survey of Public Attitudes towards conduct in public life 2008

defamatory, will be displayed on the Committee's website at www.public-standards.org.uk and be available for public scrutiny as soon after they are sent to the Committee as is practicable. They will also be published with the final report. Any respondents who would prefer their submissions to be treated as confidential should state this clearly and their wishes will be respected so far as they are compatible with the provisions of the Freedom of Information Act 2000 and any other legal obligations placed on the Committee.

1.25. Submissions and further evidence in response to this paper should be sent by email to: **Inquiry@standards.x.gsi.gov.uk**

1.26. Alternatively, they can be delivered to us at the following address:

Peter Hawthorne
The Committee on Standards in Public Life
35 Great Smith Street
London SW1P 3BQ.

1.27. If you have any queries about submitting evidence then please email the inquiries address, above, or contact Peter Hawthorne, tel: **020 7276 2598**.

1.28. **The closing date for submissions is 25 February 2009.**

Public hearings

1.29. In addition to receiving written evidence, the Committee intends to hold a number of public hearings, throughout the United Kingdom. The provisional dates for these hearings are:

Edinburgh - 24th March 2009
Cardiff - 26th March 2009
Belfast – 20th April 2009
Birmingham – 30th April 2009
Newcastle – 5th May 2009
London – 12th March, 23rd April, 19th May 2009

1.30. Further details will be published on the Committee's website: www.public-standards.org.uk. The Committee regrets that it is unlikely to be possible to invite every respondent who expresses an interest in giving oral evidence to participate in the public hearings.

Agenda Item 7

CHAPTER 2. LOCAL GOVERNMENT

Background

- 2.1. The way local authorities across the United Kingdom are governed has changed since 2000. This chapter outlines those changes and the issues that they raise in terms of the Seven Principles of Public Life.
- 2.2. Historically, most local authorities have used the committee system in one form or another in reaching and implementing policy decisions. Executive power to act or make decisions was vested in the council of the local authority as a whole. In practical terms this power was discharged, or decisions were made, through a number of committees that were required to reflect the political composition of the council of the local authority. Members of the public could attend and observe the proceedings at a committee meeting unless certain 'exempt' – i.e. confidential or sensitive – matters were being discussed.
- 2.3. Most local authorities in the United Kingdom have now moved towards executive models of decision-making where the political group with the largest number of seats on the council or a mayor makes decisions under the scrutiny of the local authority as a whole.
- 2.4. The 1998 White Paper *Modern Local Government: In Touch with the People* explains the rationale behind the changes:

'Traditional committee structures, still used by almost all councils, lead to inefficient and opaque decision-making. Significant decisions are, in many councils, taken behind closed doors by political groups or even a small group of key people within the majority group. Consequently, many councillors, even those in the majority group, have little influence over council decisions.'

Councillors also spend too much time in committee meetings which, because the decisions have already effectively been taken, are unproductive [...] The emphasis ought to be on bringing the views of their community to bear on the council's decisions, and on scrutinising their performance [...] There is rarely any identifiable figure leading the local community.

*This is no basis for modern, effective and responsive local government.'*⁶

Local government: leadership and decision-making

- 2.5. Strong and recognised leaders are seen by the Government as being essential to

⁶ *Modern Local Government: In touch with the people* (DTLR, 1998), CM 4014.

modernising local government. In their view people need to know who, in practice, is politically responsible for running the local authority.

- 2.6. Responsibility for policy on local government in Wales, Scotland and Northern Ireland is now largely the responsibility of their respective devolved governments. A summary of the position in each of the four countries is set out below.

England

- 2.7. The Local Government Act 2000 introduced major changes to the way in which local authorities are governed. Its aims were threefold:
- to create a more visible and effective political leadership in local councils;
 - to enhance the democratic legitimacy of local government; and
 - to provide sufficient checks and balances in the construction of new council constitutions to ensure that other objectives such as transparency and accountability were not undermined by the drive for stronger executive leadership.
- 2.8. The Act marked the end, in all but the smallest authorities, of the long-established committee system. Authorities with populations of over 85,000 were required to adopt either:
- a directly elected mayor with cabinet, the latter chosen by the mayor from among the council members, and with the mayor deciding how executive powers are exercised;
 - a directly elected mayor and 'council manager', with the mayor exercising a leadership role but delegating day to day decision-making to the council manager; or
 - a leader with a cabinet – the leader is chosen by the council; either he/she then appoints the cabinet, or they are elected by the council, with the leader and individual cabinet members having executive powers.
- 2.9. These new political structures were considered to be fundamental to the modernisation process. The Government took the view that the right structures were crucial if local authorities were to be responsive to their local communities. The new executive models would guarantee openness and accountability and the efficient delivery of quality local services.
- 2.10. As was noted in the *Strong and Prosperous Communities* White Paper (2006), the results of this change in terms of authorities adopting 'the strongest leadership model' of an elected mayor have been very limited. Only 12 authorities have adopted this model, which

Agenda Item 7

originally required a local authority or voter request and ratification by referendum, although this has been changed in the Local Government Act 2007 to a simple council resolution following local consultation.

- 2.11. 11 local authorities adopted the directly elected mayor and cabinet model: Bedford, Doncaster, Hartlepool, Mansfield, Middlesbrough, North Tyneside, Torbay, Watford and the London boroughs of Hackney, Lewisham and Newham. The mayor and council manager option was only adopted by Stoke-on-Trent, and proved unworkable in practice. It was legislated out of existence by the 2007 Act and following a referendum in November 2008 the voters of Stoke decided to reject the elected mayor model and adopt the leader and cabinet model.
- 2.12. In 25 further authorities, referenda for an elected mayor were held but lost. Campaigns for directly elected mayors in some parts of England were waged on the basis that electing a mayor would address the perceived governance problems in those local authorities.
- 2.13. The vast majority of authorities have adopted the leader and cabinet model. There are still some smaller authorities that have retained the committee system. The Government has expressed a wish to see more directly elected mayors leading local authorities.⁷
- 2.14. The 2007 Act also allows local authorities to appoint leaders for four year terms.

Wales

- 2.15. The scope of the Local Government Act 2000, referred to above, includes Wales, although responsibility for local government policy in Wales has now been largely devolved to the Welsh Assembly Government. As in England, most local authorities in Wales have adopted the leader and cabinet model, although there are a few authorities that have opted for a fourth option, referred to as 'politically balanced boards'. There are no directly elected mayors in Wales, although one local authority held a referendum in response to a petition, in which the proposal for an elected mayor was defeated.

Scotland

- 2.16. Following the Macintosh Commission Report on local government under devolution, local authorities were encouraged on a voluntary basis, to examine their decision-making and scrutiny processes. Local authorities in Scotland have introduced a range of new political management structures. Some local authorities have maintained the committee system but streamlined it to try and improve the decision-making process. Some others have moved to

⁷ *Community Empowerment Power White Paper: Communities in Control, Real People, Real Power* (CLG 2008), Cm. 7427

executive structures and created formal scrutiny committees or panels. Unlike the executive models in England, there is no locus in law for a leader of a council in Scotland to take an executive decision without the agreement of other councillors.

- 2.17. The main drivers in Scotland for improving openness and accountability have been the Single Outcome Agreements and Best Value regimes arising from the Local Government in Scotland Act 2003. Additionally, the introduction of the Single Transferable Vote in the local government elections of 2007 has transformed the shape of many local authorities in Scotland with 30 out of 32 local authorities now being run by coalitions.

Northern Ireland

- 2.18. Decisions in local government in Northern Ireland are made using the committee system. Executive authority is still vested in the council of the local authority as a whole. Local authorities consist of members elected according to the proportional representation system, and seats on local authority committees are allocated proportionally. However, the Northern Ireland Executive is currently considering new local governance arrangements as part of the ongoing Reform of Public Administration programme which is seeing the number of local authorities in Northern Ireland reduced from 26 to 11 from 2011.

Issues

- 2.19. Executive models of decision-making were seen as a way of improving leadership, accountability and openness of local government. The Committee is keen to receive evidence on what has been achieved. **The Committee would like to receive views and evidence on whether certain models of leadership or decision-making in local government (elected mayors, leader and cabinet, committee system or other models) better support the Seven Principles of Public Life.** Respondents may wish to consider some or all of the following questions:
- What are the strengths and weaknesses of the new executive models of decision-making?
 - Have the new arrangements increased public trust in local governance; if so, how?
 - Why are there so few elected mayors? Is there any evidence to support the hypothesis that an elected mayor can help to rebuild public confidence and trust in a failing local authority?
 - In practical terms, what are the differences between the mayor and cabinet model and leader and cabinet model?

Agenda Item 7

- How do the different models of local governance in the UK compare with each other, and with practice in other countries, in terms of accountability and openness?

Local government: openness and accountability

- 2.20. As noted in paragraph 2.4 above, one of the stated aims of the new executive or streamlined committee arrangements was to make local decision-making more open and transparent. It was expected to make clearer who was responsible for taking key decisions affecting the quality of life of local communities, even if these decisions were being made out of public view.
- 2.21. One of the main provisions for holding the executive to account under the current arrangements are overview and scrutiny committees. Local authorities in England and Wales, and some authorities in Scotland, have established overview and scrutiny committees. The role of an overview and scrutiny committee is to scrutinise the strategies, policies and actions of the executive – i.e. elected mayor or leader and cabinet. Specifically, the scrutiny process should help to clarify the reasons for decisions and the facts and analysis on which policy and actions are based.
- 2.22. Councillors serving on the executive are not able to sit on an overview and scrutiny committee. It was felt that this separation of roles had advantages in terms of transparency and accountability, because scrutiny would more likely be impartial if undertaken by councillors who had played no part in the original decision. In addition, councillors would no longer have to accept responsibility for decisions in which they took no part. However, there have been a number of reports on the difficulty of establishing an effective scrutiny function and communicating the importance of scrutiny both within and outside local authorities.
- 2.23. In areas where there is more than one tier of local government there is a question about the extent to which the public understand the respective roles and responsibilities of each tier of local government, and consequently who is responsible for holding the different tiers to account.
- 2.24. Distinct from the arrangements outlined in paragraphs 2.7 to 2.14 above, local authorities are required to appoint a lead member for children's services. This member of the cabinet is politically accountable for the local authority children's services. While this might help to clarify responsibility for children's services in certain respects, it raises questions about the accountability of the mayor and leader for children's services and the accountability of the rest of the council for decisions of the council as a whole that impact on children's services.

- 2.25. Openness and transparency, and by implication accountability in local government are also supported by the requirement and practice of producing forward plans of key decisions, and the publication of meeting papers and a record of decisions made. Councillors and members of the public can of course continue to make requests for information and ask a local authority to explain its decisions or actions.
- 2.26. Other legislative measures that support openness and accountability in local government include, the Freedom of Information Act; the initial requirement in Best Value in England and Wales that local authorities should consult with local people in improving services; and the new duty which will come into force in England on 1st April 2009 to involve local people in decision-making.⁸
- 2.27. The 2000 Act also introduced a new ethical framework for local government in England and Wales. Local authorities in England and Wales were required to establish standards committees to oversee ethical issues and provide guidance on the code of conduct and its implementation.
- 2.28. The Committee considered the arrangements for the management and enforcement of codes of conduct following the implementation of the 2000 Act in its Tenth Report. It recommended the introduction of a locally based system for managing and enforcing councillors' codes of conduct in England and Wales, and a new role for the Standards Board for England to ensure the effectiveness of local standards arrangements. New arrangements, in line with the Committee's recommendations, were introduced in 2008. The Committee takes the view that it is too early to review the effectiveness of these arrangements. But is interested in receiving views and evidence on the role of standards committees in promoting openness and accountability and improving trust.

Issues

- 2.29. As paragraphs 2.20 to 2.28 above highlight, there are a number of provisions to promote openness and accountability in local government, the role that senior officers play in the accountability framework is dealt with in the section below. **The Committee would like to receive views and evidence on how well the provisions to support openness and accountability in local government work in practice.** Respondents may wish to consider some or all of the following questions:
- What are the key elements of an effective accountability framework for local government, and how well do the current arrangements work in practice?
 - How should effective scrutiny be judged, and to what extent do current measures lead to

⁸ *Local Government and Public Involvement in Health Act 2007*

Agenda Item 7

effective scrutiny?

- Do overview and scrutiny committees have adequate powers and resources to hold the executive to account, and if not, what additional powers and resources are required?
- How effectively have local authorities embedded a culture of scrutiny into their decision-making processes?
- Do certain models of local decision-making provide for stronger accountability and openness; if so, why are they more effective?
- Is there a role for standards committees in promoting openness and accountability in local government, and if so, what should their role be?
- How effective are the arrangements for giving certain elected members lead member responsibility and accountability working in practice?
- What is the role of external organisations – including for example, regulatory bodies or the media – in holding local government to account, and how does this impact on public trust?
- What impact has the use of the single transferable vote in local elections in Scotland and Northern Ireland had on openness and accountability in local government?
- Is there a tension between openness and ‘getting things done’? If so, how can they be reconciled?

Local government officers: role and accountability

- 2.30. The Committee is interested in the role of senior officers in decision-making and the accountability framework.
- 2.31. Under each of the models of leadership and decision-making, the head of the paid service, senior officers and front line staff continue to be appointed by the council of the local authority as a whole and not just by the executive.
- 2.32. Senior local government officers play an important role by advising councillors and implementing decisions under their direction. The important role of senior officers is recognised in the *Community Empowerment White Paper* published by the Department of Communities and Local Government. It includes a proposal to make local government officers more visible in England by introducing a new right for local people to petition to hold senior officers to account at public meetings.
- 2.33. The relationship between the elected mayor or leader of the council and senior officers has been placed under the spotlight in some local authorities where relations between them

appear to have broken down. These high profile disputes are sometimes attributed to a blurring of the lines of responsibility between leaders or elected mayors and the senior management team. It is sometimes suggested that where there once used to be a clear dividing line, with elected councillors responsible for strategy and senior officers responsible for operational matters or implementation, the new executive structures have heralded the full-time or professional elected councillor or mayor who expects to play a leading role in implementation as well. On the other hand, it has also been suggested that the national performance management frameworks have encouraged senior officers to take a more active role in developing strategy. These competing pressures could lead to a lack of clarity about roles and responsibilities, which in turn could adversely impact on accountability.

- 2.34. Senior officers also play a key role in the system of checks and balances.
- 2.35. The head of the paid service has powers to issue a report on the manner in which the discharge of the local authority's functions is co-ordinated. Every local authority is required to ensure that one of their officers has responsibility for financial administration and this officer is required to submit a report to councillors, if there is or is likely to be unlawful expenditure or an unbalanced budget. The monitoring officer is required to prepare a report for the consideration of the full council of the local authority if any proposal, decision or omission by the local authority is believed to contravene any legislation or to constitute maladministration.
- 2.36. Local government officers are required to support scrutiny committees in their role of holding the executive to account as well as the executive in setting and implementing strategy and policy. This could give rise to a conflict of interest. The Local Democracy, Economic Development and Construction Bill introduced in the House of Lords in December 2008 included a measure which would require certain local authorities to appoint a scrutiny officer. This measure aims to promote and improve the effectiveness of the scrutiny function.

Issues

- 2.37. **The Committee is interested in receiving views and evidence on whether the roles and responsibilities of senior officers are clearly defined and understood by the public; how well senior officers are held to account; and their role in supporting the accountability framework.** Respondents may wish to consider some or all of the following questions:

- How clearly is the role of senior officers understood by the public?

Agenda Item 7

- How successful are the mechanisms currently in place to hold senior officers (such as Chief Executives) to account for their actions?
- Are additional measures necessary to hold senior officers to account; if so, what form should such measures take?
- Does the fact that senior officers are required to support both the executive and scrutiny give rise to a conflict of interest, and if so, how should this conflict be addressed?
- What impact, if any, have the new arrangements for local government had on member-officer relationships?

Local government accountability and partnerships

- 2.38. Local authorities are now working both formally and informally with a wide range of partners to improve outcomes for local citizens. Partnership arrangements such as those underpinning Local or Multi-Area Agreements in England, Improvement Agreements in Wales and Single Outcome Agreements in Scotland can bring huge benefits for local citizens, but can also obfuscate responsibilities and decision-making.
- 2.39. The remit of overview and scrutiny committees in local authorities in England has been broadened to include partners to Local Area Agreements. But questions remain about the effectiveness of arrangements for ensuring accountability of partnerships. It has been suggested that there may be instances where there are trade-offs between delivering in partnership and effective accountability for local services.

Issues

- 2.40. **The Committee is interested in receiving views and evidence on how local authorities ensure openness and accountability when working in partnership.**

Respondents may wish to consider some or all of the following questions:

- How do partnerships ensure effective accountability and open decision-making?
- How do local authorities reconcile partnership working with the principle that individual public office holders should be accountable for their decisions and actions?
- What, if any, improvements could be made to ensure the principles of openness and accountability are further embedded in partnership working?

ANNEX A. SUMMARY OF ISSUES

This annex lists the issues set out in Chapter 2 and 3. The Committee welcomes views and evidence on all or any of the issues listed below and anything else that you feel might be relevant. For more details about a particular issue please go to the relevant paragraph in Chapter 2 or 3.

Local government: leadership and decision-making (Paragraph 2.19)

The Committee would like to receive views and evidence on whether certain models of leadership or decision-making in local government (elected mayors, leader and cabinet, committee system or other models) better support or reflect the Seven Principles of Public Life.

Local government: openness and accountability (Paragraph 2.29)

The Committee would like to receive views and evidence on how well the provisions to support openness and accountability in local government work in practice.

Local government officers: role and accountability (Paragraph 2.37)

The Committee is interested in receiving views and evidence on whether the roles and responsibilities of senior officers are clearly defined and understood by the public; how well senior officers are held to account; and their role in supporting the accountability framework.

Local government accountability and partnerships (Paragraph 2.40)

The Committee is interested in receiving views and evidence on how local authorities ensure openness and accountability when working in partnership.

Leadership and decision-making within the Greater London Authority (Paragraph 3.8)

The Committee is interested in receiving views and evidence on openness and transparency within the Greater London Authority.

Role of the Assembly: accountability of the Mayor and Assembly (Paragraph 3.15)

The Committee is interested in receiving views and evidence on the effectiveness of the current arrangements for holding the London Mayor and the Assembly to account.

Appointments within the Greater London Authority (Paragraph 3.19)

The Committee is interested in receiving views evidence on the relationship between the staff appointed by the Mayor and permanent staff within City Hall.

The Greater London Authority and the four functional bodies (Paragraph 3.24)

The Committee is interested in receiving views and evidence on how effectively the functional bodies are currently held to account on behalf of Londoners.

The Greater London Authority and the London Boroughs (Paragraph 3.29)

The Committee would like to receive views and evidence on arrangements for ensuring openness and accountability between the Greater London Authority and Local Authorities in London.

The Greater London Authority and central government (Paragraph 3.32)

The Committee is keen to examine the relationships between the Mayor and the Government Office for London – in terms of accountability and openness.

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Agenda Item 8

TO: CABINET
DATE: 26 FEBRUARY 2009
SUBJECT: PROGRAMME OF MEETINGS - 2009/10
WARDS AFFECTED: NONE DIRECTLY
REPORT OF: C.J. ELWOOD, LEGAL DIRECTOR
CONTACT OFFICER: PAUL FRASER: 0151 934 2068
EXEMPT/CONFIDENTIAL: NO

PURPOSE/SUMMARY:

To consider the draft Programme of Meetings for the 2009/10 Municipal Year.

REASON WHY DECISION REQUIRED:

To enable the business of the Council to be conducted.

RECOMMENDATION(S):

- (i) That the Programme of Meetings for the Council and Regulatory Committees; Overview and Scrutiny Committees; Area Committees; and Members' Briefings for 2009/10 as set out in Annexes A, B and C of the report be recommended to the Council for approval;
- (ii) that the Programme of Meetings for Cabinet and Cabinet Members for 2009/10, as set out in Annex D of the report, be approved.

KEY DECISION: No
FORWARD PLAN: Not appropriate
IMPLEMENTATION DATE: Following the expiration of the "call-in" period for this meeting.

Agenda Item 8

ALTERNATIVE OPTIONS:

None.

IMPLICATIONS:

Budget/Policy Framework: Not appropriate.

Financial: None arising from this report.

Legal: None arising from this report.

Risk Assessment: Not appropriate.

Asset Management: Not appropriate.

CONSULTATION UNDERTAKEN/VIEWS

All Cabinet Members
 Finance and Information Services Director
 Planning and Economic Regeneration Director
 Head of Overview and Scrutiny

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy		√	
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

BACKGROUND:

1. The Council is required to establish a programme of meetings for the 2009/10 Municipal Year.
2. Attached as Annex A is the suggested programme for the Council, Regulatory Committee meetings and Members' Briefings etc. An additional meeting of the Council has been scheduled for 17 December 2009. This Council meeting has been scheduled to determine the Council's governance arrangements and to agree the permitted resolution for submission to the Department for Communities and Local Government.
3. Attached as Annex B is the suggested programme for the Overview and Scrutiny Committees.
4. Attached as Annex C is the suggested programme for Area Committee meetings.
5. Attached as Annex D is the suggested programme for Cabinet and Cabinet Member meetings. The only change made following consultation with Cabinet Members is that the Cabinet Member – Health and Social Care meeting is now recommended to take place monthly rather than every two weeks.

The draft programme indicates the meetings being held at the venue currently agreed by the current Cabinet Member with video conferencing facilities being provided at the alternate venue.

6. The shaded column on the attached schedules indicates those meetings approved by Cabinet and Council last year.

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Agenda Item 8

ANNEX B

METROPOLITAN BOROUGH OF SEFTON PROGRAMME OF MEETINGS FOR OVERVIEW AND SCRUTINY COMMITTEES - 2009/2010 (All Tuesday)

Meeting	Venue	2009												2010												
		May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May												
OVERVIEW AND SCRUTINY COMMITTEE (Performance and Corporate Services) (6.30 p.m.)	B		23					1				10					19			30					25	
	S	26		28						6				15					16							27
Work Programme Sessions (2.00 p.m.)	B																									
	S	26																								
OVERVIEW AND SCRUTINY COMMITTEE (Health and Social Care)	B	19			4					13			15								2					11
	S		30					8				17						26						6		
Work Programme Sessions (2.00 p.m.)	B	19																								
	S											17														
OVERVIEW AND SCRUTINY COMMITTEE (Regeneration and Environmental Services)	B			7				15				24														13
	S		2		11					20								5			9					
Work Programme Sessions (2.00 p.m.)	B											24														
	S		2																							
OVERVIEW AND SCRUTINY COMMITTEE (Children's Services)	B		9		18					27											16					
	S			14				22					1						9					20		
Work Programme Sessions (2.00 p.m.)	B		9																							
	S												1													
OVERVIEW AND SCRUTINY MANAGEMENT BOARD (2.00 p.m.)	B				25								8													4
	S		16									3							23							

METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS 2009/10 - AREA COMMITTEES

Meeting	Day	Time	Venue	2009												2010				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May				
CROSBY	Wed.	6.30 p.m.	①	20	-	8	-	9	7	4	-	20	17	-	14	12				
FORMBY	Thur.	7.00 p.m.	②	21	-	2	27	-	1/29	-	-	7	11	-	8	27				
LINACRE AND DERBY	Mon.	6.30 p.m.	③	11	-	13	17	21	-	2	-	11	-	1	12	10				
LITHERLAND AND FORD	Wed.	6.30 p.m.	④	20	-	1	-	2/30	28	-	-	6	17	-	14	12				
OSWALD AND NETHERTON ORRELL	Thur.	6.30 p.m.	⑤	21	-	2	27	-	1/29	-	-	7	11	-	8	27				
TON EAST SHES	Thur.	6.30 p.m.	⑥	21	-	16	-	10	-	5	-	21	-	18	-	27				
SOUTHPORT	Wed.	6.30 p.m.	⑦	13	-	1	-	2/30	28	-	-	6	3	31	21	12				

Page 77

- (5) To be held in St. Stephen's Church Hall, Hightown
- ① Crosby Area Committee - 6.30 p.m. - Waterloo Primary School, Crosby Road North, Waterloo - St. Stephen's Church Hall, St. Stephen's Road, Hightown (alternative venues are also currently being investigated).
- ② Formby Area Committee - Formby Professional Development Centre, Park Road, Formby
- ③ Linacre and Derby Area Committee - Alternates between Bootle Town Hall, Oriol Road, Seaforth Community Centre, Crescent Road
- ④ Litherland and Ford Area Committee - Alternates between Cathy Roberts Memorial Hall, Osborne Road, Litherland/Goddard Hall, Stanley Road, Bootle
- ⑤ St. Oswald and Netherton and Orrell Area Committee - Alternates between Netherton Activity Centre, Glovers Lane, Netherton/Hub Nub Centre, 215 Linacre Lane, Bootle/Netherton Park Community Association, Chester Avenue
- ⑥ Sefton East Parishes Area Committee - Alternates between Maghull Town Hall, Hall Lane, Maghull, Old Roan Methodist Church, Altway and Lydiate and Melling venues to be determined
- ⑦ Southport Area Committee - Southport Town Hall

The shaded columns indicate the meetings approved by Council last year.
 PGF/669 Mar. 2009

Agenda Item 9

REPORT TO: Cabinet
Council

DATE: 26 February 2009
26 February 2009

SUBJECT: Treasury Management Policy & Strategy
2009/2010

WARDS AFFECTED: All

REPORT OF: **Paul Edwards**
Finance & IS Director
0151 934 4082

CONTACT OFFICER: **Lynton Green**
Senior Assistant Finance & IS Director
0151 934 4096

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To advise Cabinet of the proposed procedures and strategy to be adopted in undertaking the Treasury Management Function in 2009/2010.

REASON WHY DECISION REQUIRED:

To enable the Council to effectively manage its Treasury activities.

RECOMMENDATION(S):

Cabinet is recommended to

- a) Agree the Treasury Management Policy Document for 2009/2010 (Annex A);
- b) Agree the Treasury Management Strategy Document for 2009/2010 (Annex B);
- c) Approve the amendment to Banking arrangements contained within the Financial Procedures Rules of the Constitution (Para 3);
- d) Agree the Money Laundering Policy Document (Para 4 and Annex C);
- e) Agree the basis to be used in the calculation of the Minimum Revenue Provision for Debt Repayment in 2009/2010 (Para 5);
- f) Refer the report to Council for approval.

Agenda Item 9

KEY DECISION: No, this report does not represent a key decision in itself but forms part of the delivery of the 2009/2010 Budget, which is a key decision for the Council.

FORWARD PLAN: No – see above.

IMPLEMENTATION DATE: With effect from 1 April 2009.

ALTERNATIVE OPTIONS:

The Cabinet could decide not to comply with the CIPFA Code of Practice on Treasury Management that recommends production of Treasury Management Policy and Strategy Documents. Non-compliance with the Code would significantly increase the risks associated with this activity and would not be complying with best practice.

IMPLICATIONS:

Budget/Policy Framework: Compliance with the Policy and Strategy Documents will enable the Council to secure the most favourable terms for raising funds, maximise returns on investments whilst at all times minimising the level of risk to which it is exposed.

Financial: See above.

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Agenda Item 9

Legal: None.

Risk Assessment: The Policy and Strategy Documents minimise the level of risk to which the Council is exposed.

Asset Management: None.

CONSULTATION UNDERTAKEN/VIEWS

None.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Treasury Management in the Public Services – Code of Practice CIPFA 2001.
The Prudential Code for Capital Finance in Local Authorities CIPFA 2003.

Agenda Item 9

1. Background

- 1.1. The Council has previously adopted CIPFA's revised 2001 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents.
- 1.2. In addition the Council has also adopted, and incorporated into both documents:
 - a) The requirements of the 2003 Prudential Code for Capital Finance in Local Authorities; and,
 - b) An Investment Strategy produced in line with guidance from the then ODPM concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad procedures, considerations and parameters within which the Treasury Function will operate; and
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2009/2010.
- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. Current economic conditions have been volatile over the last 12 months and concerns have been raised regarding the Treasury Management function within public sector organisations. Specifically, questions have been asked regarding investments made and the value of investments held in any one banking group; Icelandic banks have been in particular focus. Whilst Sefton has not had any investments in Icelandic Banks, **the wider economic position has meant that a thorough review of the Treasury Management Policy and Strategy documents has been undertaken to identify whether any improvements can be made.**
- 2.4. The main changes to the proposed Strategy Document for 2009/2010 include modifications to the process of assessing where temporarily surplus resources should be invested, both in the medium and short term. It is proposed that the Council introduce a risk matrix (used by the Council's Treasury Management advisors, Sector) and that the ongoing review of which organisations satisfy the Council's Credit Rating Criteria is reported on a more regular basis to improve the transparency of the process (Section 2.7 of the Strategy);
- 2.5. All investments are made in accordance with the Council's Investment Criteria. This takes account of market and risk conditions at the time the investment is made.

- 2.6. Under the Council's criteria, there may be a need to broaden the Counterparty List (as advised by Sector and other appropriate Treasury Management Advisors) in order to spread / reduce risks. Members need to note that these actions, together with the prevailing market conditions are likely to result in lower returns from investments than those achieved in recent years.
- 2.7. As an example, one option that is being considered is to invest in "Supra-National" bodies such as the European Investment Bank. Such organisations effectively have the backing of Governments and as such have the highest credit rating (and hence security). The arrangements for this type of investment tend to be for longer periods (5-10 years). Whilst they are liquid (providing immediate access to funds), the details of the impact of withdrawal on any returns will need to be investigated further.
- 2.8. In view of the complex nature of Treasury Management, especially in the current economic climate, the need for more focussed Member training has been recognised. More regular reports will not only be presented to Cabinet (who have the delegated responsibility), but also to Corporate Services Cabinet Member Meeting and the Audit and Governance Committee.

3. Financial Procedure Rules – Banking Arrangements

- 3.1. The Treasury Management Policy Document at **Annex A** delegates certain responsibilities to the Finance Director, including all executive decisions on borrowing, investment or financing, in line with the Constitution of the Council.
- 3.2. The Constitution (Financial Procedure Rules – Banking Arrangements Para 8.2) currently provides the following:

"No overdraft shall be permitted save on the general account, a maximum overdraft for which shall be fixed from time to time by the Council following recommendations by the Finance Director ..."

- 3.3. In order to facilitate a "group" approach to the Council's bank account and related individual balances (a number of services provided by Sefton have bank accounts separate to the Council's main account), it is recommended that the paragraph be reworded as follows:

"On a day to day basis, no overdraft shall be permitted unless agreed by the Finance Director. A maximum overdraft shall be fixed from time to time by the Council following recommendations by the Finance Director"

4. Money Laundering Policy Document

- 4.1. Revised Money Laundering Regulations have been issued and within this the Council is obliged by legislation and professional requirements to adopt procedures to prevent criminal activity through Money Laundering. The Money Laundering Policy Document is attached at **Annex C** for approval, which outlines the approach the Council will adopt to comply with its legal obligations.

Agenda Item 9

5. Minimum Revenue Provision (MRP) for Debt Repayment Policy Document

- 5.1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 introduced changes to the calculation of the MRP.
- 5.2. As a transitional arrangement for 2008/09, authorities were able to continue to calculate MRP as in previous years i.e. 4% of the underlying need to borrow for capital purposes, as measured at 31 March 2008. The Council's revenue budget for 2008/09 was constructed on this basis.
- 5.3. To comply with the legislative changes, the Council has, from 2009/10, retained this calculation for borrowing supported through the Revenue Support Grant but for unsupported prudential borrowing, MRP will be calculated using the depreciation method. This links the charges to revenue more closely to the life of the asset. The Council's Revenue Budget for 2009/10 has been constructed on this basis.
- 5.4. The change in legislation also allows Councils to apply an MRP "Holiday" on large projects, the costs of which span a number of financial years. Rather than starting to charge MRP as the expenditure is incurred, the option is given to apply MRP only when the scheme becomes operational. The total level of MRP remains unchanged, only the timing of the charge is altered. This option is considered to be the most appropriate for use within Sefton and has been incorporated in both the 2008/09 and 2009/10 MRP calculations.

6. Recommendations

Cabinet is recommended to:

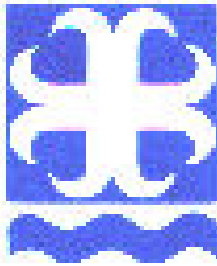
- a) Agree the Treasury Management Policy Document for 2009/2010 (**Annex A**);
- b) Agree the Treasury Management Strategy Document for 2009/2010 (**Annex B**);
- c) Approve the amendment to Banking Arrangements contained within the Financial procedures Rules of the Constitution (Para 3);
- d) Agree the Money Laundering Policy Document (Para 4 and **Annex C**);
- e) Agree the basis to be used in the calculation of the Minimum Revenue Provision for debt repayment in 2009/10 (Para 5);
- f) Refer the report to Council for approval.

SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2009/2010



FINANCE DEPARTMENT

Agenda Item 9

1. Treasury Management Policy

1.1. The Council defines Treasury Management as:

The management of the Authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

1.2. The Council's Statement of Treasury Management Policy is:

- a) Effective Treasury Management is acknowledged as providing support towards the achievement of the Council's business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management;
- b) The successful identification, monitoring and control of risk is regarded as being the prime criteria by which the effectiveness of the Council's Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation.

1.3 A dedicated team of three officers carries out the day-to-day treasury management activities. Two of the current officers are qualified accountants, whilst the third is a qualified accounting technician.

1.3.1 Members should receive training in the Treasury Management function, in order to assist in the understanding of this relatively complex area. This will be addressed via the provision of regular reporting to Cabinet, Corporate Services Cabinet Member Meeting and the Audit and Governance Committee.

2. Treasury Management Strategy

2.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2009/2010 is attached at **Annex B**.

3. Delegated Powers

3.1. The Finance and Information Services Director, under the Council's Constitution, is given the following authority:

- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the Finance and Information Services Director, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;
- b) All executive decisions on borrowing, investment or financing shall be delegated to the Finance and Information Services Director (or in his

Agenda Item 9

absence the Senior Assistant Finance and Information Services Director) who shall be required to act in accordance with the Council's Treasury Policy, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

4. Reporting Requirements/Responsibilities

4.1. Council

Council will approve, prior to each financial year, the Treasury Management Policy and Strategy Documents.

4.2. Cabinet

Cabinet will:

- a) Consider, prior to each financial year, Treasury Management Policy and Strategy Documents and refer them to Council for approval;
- b) Implement and monitor these Documents, approving any in-year amendments (at least on a quarterly basis) necessary to facilitate continued effective Treasury Management; and
- c) Receive an annual outturn report on Treasury Management activity prior to the 30th June following each financial year.

4.3. Audit and Governance Committee

Audit and Governance Committee

- a) Monitor these Documents on at least a quarterly basis necessary to facilitate continued effective Treasury Management; and
- b) Receive an annual outturn report on Treasury Management activity prior to the 30 June following each financial year.

4.4. Finance Director

The Finance Director will:

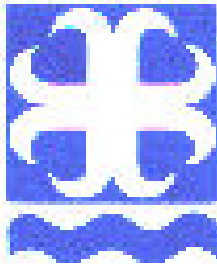
- a) Draft and submit to Cabinet and Council prior to each financial year, Treasury Management Policy and Strategy Documents;
- b) Implement and monitor these Documents resubmitting any necessary in-year revisions/amendments (at least on a quarterly basis) to Cabinet for approval;
- c) Draft and submit an annual outturn report on Treasury Management activity to Cabinet by the 30 June following each financial year-end; and
- d) Maintain suitable Treasury Management Practices (TMP), setting out the manner in which the Council will seek to achieve its objectives. The TMP's will also prescribe how the treasury activities will be managed and controlled.

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2009/2010



FINANCE DEPARTMENT

SEFTON COUNCIL

Treasury Management Strategy

1. Introduction

- 1.1. The Treasury Management Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Treasury Management Policy.

Due to the current climate within the financial sector, an update upon the current position will be presented quarterly.

- 1.2. The Strategy had been produced to incorporate the requirements of the CIPFA Code of Practice on Treasury Management and the 2003 Prudential Code for Capital Finance.

Economic Background

The current economic background has been particularly turbulent over the last two quarters, and this has put treasury management within the authority under scrutiny.

After initial concerns about inflation, fuelled particularly by the rise in oil prices, caused the Monetary Policy Committee to eschew reductions in the bank base rate, growth slowed across the economy and inflation fell. As fears about the depth of the economic downturn rose, a round of interest rates cuts began with a cut of 1.5% in November 2008, and further 0.5% reductions in January and February 2009. This has not stimulated lending in the current credit crunch, with the LIBOR rate (the rate at which banks lend to each other) being much higher than the bank base rate.

The banks are reluctant to lend to each other as they are desperate to maintain liquidity. This has meant abnormally high investment returns, and the erosion of the Monetary Policy Committee's power over monetary policy giving it a limited ability to force banks to reduce interest rates. However, the injection of capital into banks and the part nationalisation of certain institutions may have an impact in reducing some lending rates.

The authority has benefited from high investment returns, but the reduction in base rates is now feeding into reduced investment returns.

Agenda Item 9

2. Treasury Management Strategy 2009/2010

2.1. The Strategy for 2009/2010 covers:

- a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
- b) Prudential Indicators 2008/2009 to 2010/2011 (2.3);
- c) Interest Rates (2.4);
- d) Capital Borrowing (2.5);
- e) Debt Rescheduling opportunities (2.6);
- f) Investment Strategy (2.7).

2.2. Treasury Limits for 2009/2010

The Treasury Limits set by Council in respect of its borrowing activities are:

The overall or Affordable Borrowing Limit.	Maximum	£196m
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It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing limit takes into account the Council's current debt, an assessment of external borrowing to finance the Capital Programme in 2009/2010, the need to finance capital expenditure previously met from internal funding, and cash flow requirements.

The amount of overall borrowing, which maybe outstanding by way of short-term borrowing.	Maximum	£15m
--	---------	------

The Short – Term Borrowing limit takes into account an assessment of any potential short-term financing the Council may need (e.g. bank overdraft, short-term funding in anticipation of grant receipts). Short-Term Borrowing is defined as being for less than 12 months.

The proportion of external borrowing which is subject to variable rate interest.	Maximum	33%
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The limit on variable rate borrowing gives the Council flexibility to finance expenditure at favourable market rates, but ensures Council exposure to variable interest commitments is within prudent levels.

2.3. Prudential Indicators

The following prudential indicators are considered relevant by CIPFA for setting an integrated Treasury Management Strategy.

2.3.1. Interest Rate Exposure Indicators

Fixed rate borrowing and investment has the benefit of reducing the uncertainty surrounding future interest rate changes. However, in looking to improve performance best practice recommends retaining a degree of flexibility through the use of variable rates on at least part of the Treasury Management Activity.

To ensure that the risk associated with improved performance which may be achieved by using variable loans and investments is minimised, it is necessary to establish indicators to control the position. The control is based on setting an upper limit for both fixed and variable interest rate exposures expressed as a percentage of the Council's net outstanding principal sum. The following indicators are to be used:

Upper Limit for Interest Rate Exposures	2008/09 %	2009/10 %	2010/11 %
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	160	160	160
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	15	15	15

2.3.2. Non Specified Investment Indicator

The Investment Strategy (Para 2.7.4) allows non-specified investments to be made using funds managed by the Council. The indicator is designed to control the level of such non-specified investments when compared to the overall investments of the Council.

Upper Limit on Non-Specified Investments	2008/09 %	2009/10 %	2010/11 %
Upper limit on the value of non-specified investments as a percentage of total investments	40	40	40

Agenda Item 9

2.3.3. Debt Maturity Indicators

The indicators are designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of high interest rates. The control is based on the production of a debt maturity profile, which measures the amount of borrowing that is fixed rate that will mature in each period as a percentage of total projected borrowing that is fixed rate. Any borrowing decision and related maturity dates will be taken by the Council mindful of maturity profile limits set out below to ensure large concentrations of debt do not fall due for repayment in any one future financial year. The profile reflects borrowing advice provided by Sector, the Council's Treasury Management Advisors, and has been agreed with them.

Maturity Structure of Fixed Rate Borrowing During 2008/2009	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

2.4. Interest Rates

2.4.1. The Council currently employs Sector Treasury Services Ltd ("Sector") to provide regular forecasts of interest rates to assist decisions in respect of:

- a) Capital Borrowings (2.5);
- b) Debt Rescheduling opportunities, (2.6); and
- c) Investments strategy (2.7).

2.4.2. **Annex B2** gives details of Sector's central view regarding interest rates.

2.4.3. The advice from Sector takes into account financial activity both in the UK and world economies and the impact of major national and international events. It is essential that borrowing and investment decisions are taken mindful of independent forecasts as to interest rate movements. The Council will continue to act on the advice of Sector.

Agenda Item 9

2.5. Capital Borrowings

2.5.1. The Council's debt portfolio as at 12th February 2009 is as set out below:

Debt Portfolio	
Average Interest Rate	4.93%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	127.122
Other Borrowing	0.024
Other Long Term Liabilities	<u>7.658</u>
Total Debt	134.804

2.5.2. The Council will raise its required finance, following advice from Sector, from the Public Works Loan Board (PWLB).

The Council's borrowing requirement for 2009/2010 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	24.922
Replacement Borrowing	<u>3.700</u>
Total Borrowing	28.622

2.5.3. The Sector forecast for PWLB interest rates (as set out at **Annex B2**) is as follows:

- a) The 50 year PWLB rate is expected to remain around 3.90 – 4.00% until Q4 2010 when it is forecast to rise to 4.25%. The rate then edges up gradually to reach 5.05% at the end of the forecast period;
- b) The 25 year PWLB rate is expected to drop to 3.95% in Q2 2009 and stay around there until starting to rise in Q1 2010 and then to eventually reach 5.10% at the end of the forecast period;
- c) The 10 year PWLB rate is expected to drop to 3.20% in Q3 2009 but then to start rising again in Q2 2010 to eventually reach 4.90% at the end of the forecast period;
- d) The 5 year PWLB rate is expected to fall to a floor of 2.30% during Q3 2009. The rate then starts rising in Q2 2010 to eventually reach 4.60% at the end of the forecast period.

Agenda Item 9

- 2.5.4. The authority is currently internally borrowed, with total PWLB borrowings of £127.122m, as against a CFR of £170m for 2009/10, which does have the advantage of reducing exposure to interest rate and credit risk.
- 2.5.5. The borrowing strategy will therefore be to consider borrowing in or near the sub 10 year period at any time when the rate falls back to the central forecast rate of 3.20%, which will be used as a “trigger point” for considering new borrowing. If shorter period loans become available below this rate, for example under one year at 2.30%, these will also be considered. This is expected to be slightly lower in the middle to the end of the year than earlier on, therefore it may be advantageous to borrow later in the year.
- 2.5.6. However, Sector predict that the next financial year is expected to be a time of a historically low bank base rate. The authority may consider internal borrowing. As long term borrowing rates are expected to be reasonably high, then the authority may decide to avoid all external borrowing. This will also reduce exposure to interest rate risk and credit risk.
- 2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2009/2010. The Finance Director will monitor the interest rate market and following advice from Sector, adopt a pragmatic approach to changing circumstances during the year.

2.6. Debt Rescheduling Opportunities

- 2.6.1. The introduction of different PWLB rates on 1 November 2007 for new borrowing as opposed to early repayment of debt, and the setting of a spread between the two rates (of about 40 – 50 basis points for the longest period loans narrowing down to 25 – 30 basis points for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date.

2.7. Investment Strategy

- 2.7.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Guidance on Local Government Investments issued by ODPM in March 2004 and CIPFA’s Treasury Management in Public Services: Codes of Practice.
- 2.7.2. Under the system of guidance investments are classified as Specified or Non Specified.

Specified Investments are those which satisfy the following conditions:

- a) The investment and all related transactions are in sterling;
- b) The investment is short-term i.e. less than 12 months;
- c) The investment does not involve the acquisition of share or loan capital;
Either:
 - i) The investment is made with the UK Government or local authority;
OR
 - ii) The investment is made with a body or scheme, which has been awarded a high credit rating by a credit rating agency.

Agenda Item 9

Non Specified Investments are those that do not meet the above definition.

2.7.3. The Council's investment portfolio as at 12 February 2009 is set out below:

Investments Portfolio	£m
Specified Investments	61.920
Non-Specified Investments	<u>5.000</u>
Total	66,920

2.7.4. The Council banks with National Westminster, which is part of the Royal Bank of Scotland Group. Due to financial difficulties they do not currently fall within an acceptable risk category for investment. The Group is however 70% owned by the State and therefore, the risk of default on any investment is likely to be minimal. Whilst no medium term investments will be entered into with the Group, the overnight investments in Reserve Accounts will continue. This will be reviewed regularly during the year.

2.7.5. The Council Strategy will be:

- a) To make Specified Investments in line with the above conditions;
- b) To make Non Specified Investments which satisfy all of the above with the exception of a) which is extended to a period of less than 5 years;

It is suggested that the following investment vehicles should be made available to the authority:

Investment	Reason	Risk
Term deposits made with banks and building societies as listed in annexe B4, following the investment criteria as listed in annexe B5. Nat West also acceptable on an overnight basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Local Authorities not credit rated.
Supra-national bonds	Greater levels of security of investment. A fairly liquid investment, though not as liquid as Gilts	High credit rating as placed with EIB and World Bank (AAA rated). Bond price may vary if sold early
Money Market Fund (MMF)	Similar or better rate than bank deposits, with no penalty charge for early redemption. Same day liquidity	High credit rating via the International Money Market Fund Association or IMMFA (AAA rated)
Gilts	Liquid and very secure.	High credit rating as

Agenda Item 9

	Interest paid every six months	Government backed (AAA rated). Bond price may vary if sold early
Treasury Bills	Liquid and very secure. Duration of < 1year	No interest paid – they are zero- coupon rated.
Debt Management Agency Account Deposit Facility (DMADF)	Secure investment	High credit rating as Government backed (AAA rated). Interest earned low. Investment cannot be repaid early

It is NOT proposed that the Council will be making any Non Specified Investments in 2009/2010 that do not comply with the above, however, should the situation change, the Finance Director will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.7.6. The Bank of England Base Rate in December 2007 was 5.5%. The rate has reduced significantly since that date, particularly in the latter half of 2008 and the first quarter of 2009. The current Base Rate currently stands at 1.0%. Sector's projections expect the rate to stabilise at 0.5% until starting to rise gradually with the first increase in Q2 2010 and then to be back up to 4.00% during Q1 2012. Sector's current interest rate view is outlined at **Annex B2**. Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2009/10, the Authority has taken a prudent view and budgeted for an investment return of 0.5% on investments placed during 2009/10.

2.7.7. In order to pursue the strategy of maximising returns from surplus funds at minimum risk, the following Brokers as suggested by Sector will be utilised for investments of over one month:

- i) Sterling International Brokers Limited;
- ii) Tradition UK Limited;
- iii) Tullet Prebon Limited.

2.7.8. Virtually any investment involves risk. The Council will consider the credit ratings supplied by a variety of recognised money market organisations, as part of the process to determine the list of Banks where the level of risk is acceptable. As a means of clarifying the level of acceptable risk, the Risk Matrix at **Annex B3** will be used. The Council will only invest in Banks that have a Risk Matrix scoring of F1+, AA- and Buildings Societies with a score of F1 (i.e. low risk) using the Fitch scoring methodology. The current list of Banks at **Annex B4** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named. It has also been rationalised to only include institutions that are backed by a sovereign rating of AAA, which implies that national Governments would support the Banks if they were facing financial difficulties. The organisations listed will be monitored daily with the assistance of Sector to ensure they continue to meet the requirements outlined at **Annex B5**. In the event of a change in credit rating or outlook, the Council, with advice from Sector, will evaluate its significance and determine whether to

Agenda Item 9

include (subject to Cabinet approval) or remove the organisation from the approval list.

2.7.9. **Nationalised banks** are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself i.e. deposits made with them are effectively being made to the Government. They also have a support rating of 1. Hence on both counts they have the highest ratings possible.

2.7.10. **UK banking system support package.** Please note that the UK Government has NOT given a blanket guarantee on all deposits but has underlined its determination to ensure the security of the UK banking system by supporting eight named banks with a £500bn support package.

2.8. If any of the Council's investments appear at risk of loss due to default (ie this is a credit related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

Agenda Item 9

ANNEX B2

SECTOR INTEREST

RATE FORECAST

Sector's Interest Forecast as at 12 February 2009

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB rate	2.60%	2.45%	2.30%	2.30%	2.30%	2.50%	2.85%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB rate	3.60%	3.35%	3.20%	3.20%	3.25%	3.35%	3.60%	3.95%	4.30%	4.55%	4.80%	4.85%	4.90%
25yr PWLB rate	4.15%	4.05%	4.00%	4.00%	4.10%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.05%	5.10%
50yr PWLB rate	4.10%	3.95%	3.90%	3.90%	3.95%	4.00%	4.05%	4.25%	4.45%	4.70%	4.85%	4.95%	5.05%

Agenda Item 9

ANNEX B4

COUNTER PARTY LISTING (@ 16 February 2009)

BANKING INSTITUTIONS / BUILDING SOCIETIES

RATING	INDIVIDUAL RATING	SUPPORT RATING	INVESTMENT
<i>F1+ / AAA</i>	<i>A</i>	<i>1</i>	
Bank Nederlandse Gemeenten			
<i>F1+ / AA+</i>	<i>A</i>	<i>1</i>	
Rabobank International			
<i>F1+ / AA</i>	<i>A/B</i>	<i>1</i>	
Wachovia Wells Fargo HSBC * BNP Paribas			
Banco Santander			
<i>F1+ / AA</i>	<i>B</i>	<i>1</i>	
Barclays * ING Bank			
<i>F1+ / AA-</i>	<i>A/B</i>	<i>1</i>	
Banco Bilboa			
<i>F1+ / AA-</i>	<i>A/B</i>	<i>2</i>	
Bank of NY Mellon			
<i>F1+ / AA-</i>	<i>B</i>	<i>1</i>	
Abbey National AIB * Lloyds TSB Bank of Montreal Bank of Nova Scotia Canadian Bank of Commerce *			

Agenda Item 9

FITCH RATING EXPLANATION

Short term rating

This places greater emphasis on the liquidity necessary to meet financial commitments.

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

AAA – highest credit quality – lowest expectation of credit risk and exceptionally strong capacity to pay financial commitments

AA – very high credit quality – very low credit risk and very strong capacity to pay financial commitments

A – high credit quality – low credit risk and considered to have strong capacity to pay financial commitments, but may be vulnerable

Individual rating

This assesses how a bank would be viewed if it were entirely independent and could not rely on external support.

A – very strong bank – outstanding profitability and balance sheet integrity

B – strong bank – no major concerns regarding the bank

C – adequate bank – may have one or two troublesome characteristics

D – weak

E – serious problems

F – defaulted

Support rating

Judgement of a potential supporter's (either sovereign state of parent) propensity to support the bank and its ability to support it.

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

Rating watch

This suggests that there is likely to be a rating change of any of the above four ratings.

Agenda Item 9

Investments with UK and International Banks (including the Nationwide Building Society) are limited by the Finance Director to a maximum principal sum of £15m with any of the institutions listed above. A group limit of £15m will also be applied to institutions that are part of a group.

Investments with Building Societies (excluding Nationwide) listed above are limited to a maximum principal sum of £7.5m. With the exception of the Nationwide Building Society, investments in Building Societies of 1 year and over are not permitted. A group limit of £7.5m also applies as noted above.

Investment with the Government's Debt Management Account Deposit Facility (DMADF), local authorities or any AAA MR1 + rated or equivalent Money Market Fund (with a maximum 60 day weighted average maturity) will be limited to a maximum principal sum of £15m.

SEFTON COUNCIL

STANDARD LENDING LIST CRITERIA – INTERNALLY MANAGED FUNDS

The Standard Lending list is drawn from the largest UK banks, building societies and major international banks. All banks are authorised institutions within the meaning of the Financial Services and Markets Act 2000.

The criteria used in compiling the Standard Lending list are as follows:

UK Banks and International Banks (including Nationwide Building Society)

1. Only institutions with the following Fitch ratings appear on the lending list:

Sovereign rating	AAA
Short term	F1+
Long term	AA-
Individual rating	C
Support rating	2

2. Activity in Sterling Markets

Only institutions that are active in the sterling money markets appear on the lending list.

Building Societies

1. Rating

Only institutions within the following ratings appear on the lending list:

Short term: F1 (Fitch) or P-1 (Moody's)

Investments are limited to 3 months in duration.

1. Activity In Sterling Markets

Only institutions that are active in the sterling money markets appear on the lending list.

2. Size

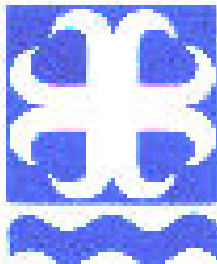
Building Societies – minimum total assets £2,000 million.

ANNEX C

SEFTON COUNCIL

MONEY LAUNDERING

POLICY



FINANCE DEPARTMENT

Agenda Item 9

1. Introduction

- 1.1. This document sets out the Council's policy in relation to money laundering. The aim of the policy is to outline the approach the Council will adopt complying with its legal and professional obligations in relation to money laundering. The policy applies to all employees of the Council and aims to maintain the high standards of conduct that currently exist within the Council by preventing criminal activity through money laundering.

2. What is Money Laundering?

- 2.1. Money laundering is defined within Part 7 of the Proceeds of Crime Act (POCA) 2002 and Section 18 of the Terrorism Act 2000.

- 2.2. Money laundering is defined as:

- a) Concealing, disguising, converting, transferring criminal property or removing it from the UK (s327 of the POCA 2002); or
- b) Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (s328 of the POCA 2002); or
- a) Acquiring, using or possessing criminal property (s329 of the POCA 2002); or
- b) Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (s18 of the Terrorism Act 2000).

- 2.3. The above are the primary money laundering offences and thus prohibited acts under the legislation.

- 2.4. Potentially, any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it and/or do nothing about it. This policy outlines the approach to be taken in raising any concerns about money laundering.

- 2.5. It is recognised that the risk to the Council of contravening the legislation is low. However, it is extremely important that all employees are familiar with the legal responsibilities, as serious criminal penalties can be imposed for breaches of the legislation.

3. Obligations on the Council

- 3.1. The Council is required to undertake the following:

- a) Appoint a Money Laundering Reporting officer ("MLRO") to receive disclosures from employees concerning suspicions of money laundering activity;
- b) Implement disclosure procedures to enable the reporting of suspicions of money laundering by all staff;
- c) Provide training to those staff considered to be most likely to encounter money laundering.

4. The Money Laundering Reporting Officer

- 4.1. The officer nominated to receive disclosures about money laundering activity within the Council is John Farrell, Assistant Finance and Information Services Director, Revenues & Benefits, who can be contacted as follows:

Address: 3rd Floor, Merton House, Stanley Road, Bootle, L20 3FD
Telephone No: 0151 934 4339.

- 4.2. The officer nominated to act as deputy in the absence of the MLRO is Lynton Green, Senior Assistant Finance and Information Services Director, who can be contacted as follows:

Address: 3rd Floor, Merton House, Stanley Road, Bootle, L20 3FD
Telephone No: 0151 934 4096.

5. Disclosure Procedure

- 5.1. Following approval of the policy, guidelines will be separately produced by the MLRO and made available to all staff detailing the action that should be taken in the event of suspicions of money laundering. They will include a value limit for cash transactions above which staff must report the transaction to the MLRO. The value of this transaction limit has been set at £10,000.

- 5.2. The Guidelines will be drafted in a manner that ensures the Council and its staff act in a manner which complies with the relevant money laundering legislation. The guidelines will detail:

- a) How staff should report their suspicions to the MLRO;
- b) Action to be taken by staff once the report has been made to the MLRO;
- c) Evaluation action to be taken by the MLRO on receipt of a report;
- d) Action to be taken by the MLRO following evaluation of the report.

6. Training and Awareness

- 6.1. The success of the Council's actions in seeking to prevent money laundering will depend largely on the communication of the policy and guidelines to staff, particularly those staff more involved in the handling of cash transactions which could be significant and exceed the transaction limit noted at Para 5.1. In respect of current staff, communication of the money laundering policy and guidelines will be carried out as part of the normal cascading of information by senior management within the Council and by publishing the documents on the intranet.

- 6.2. Communication of the policy and guidelines will also be achieved as part of induction training of relevant new employees of the Council.

Agenda Item 9

7. Summary

- 7.1. The Council is determined to ensure that it has robust procedures in order to prevent money laundering as a result of criminal activity. This Policy has been written in order to ensure that the Council establishes procedures that will ensure that it meets its legal and professional requirements in relation to money laundering but in a way that reflects the low risk to the Council of contravening the legislation.

Agenda Item 10

REPORT TO: Cabinet
Council

DATE: 26 February 2009

SUBJECT: The Prudential Code for Capital Finance in Local
Authorities – Prudential Indicators

WARDS AFFECTED: All

REPORT OF: Paul Edwards
Finance Director
0151 934 4082

CONTACT OFFICER: L Green
0151 934 4096

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To establish the Prudential Indicators for Sefton required under the Prudential Code for Capital Finance in Local Authorities.

REASON WHY DECISION REQUIRED:

To enable the Council to effectively manage its Capital Financing activities, and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities.

RECOMMENDATION(S):

Cabinet is recommended to:

- a) Approve the Prudential Indicators detailed in the report, and summarised in Annex A, as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Approve the amendments of relevant Prudential Indicators in the event that any unsupported borrowing is approved as part of the 2009/2010 Revenue Budget;
- c) Delegate authority to the Finance and Information Services Director to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report; and
- d) Refer the report to Council for approval.

KEY DECISION:

No, this report does not represent a key decision in itself but is critical in the delivery of the 2009/2010 Budget, which is a key decision for the Council.

Agenda Item 10

FORWARD PLAN: No – see above.

IMPLEMENTATION DATE: With effect from 1 April 2009.

ALTERNATIVE OPTIONS:

There are no alternative options. Under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council must have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities.

IMPLICATIONS:

Budget/Policy Framework: The establishment and monitoring of Prudential Indicators will ensure that the financial implications of capital investment will be contained within approved revenue budgets.

Financial: See above.

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton Capital Resources	N/a	N/a	N/a	N/a
Specific Capital Resources	N/a	N/a	N/a	N/a
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton funded Resources	N/a	N/a	N/a	N/a
Funded from External Resources	N/a	N/a	N/a	N/a
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: To comply with The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

Risk Assessment: Operation within the Prudential Indicators will minimise the risk of any additional revenue budget pressures resulting from capital financing decisions.

Asset Management: None.

CONSULTATION UNDERTAKEN/VIEWS:

None.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT:

The CIPFA Prudential Code for Capital Finance in Local Authorities.

Agenda Item 10

BACKGROUND:

1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2008/2009 to comply with the code.
- 1.2. The Council is required to approve Prudential Indicators for the following items:
- (i) Capital Expenditure (Section 2);
 - (ii) Financing Costs/Net Revenue Stream (Section 3);
 - (iii) Capital Financing Requirement (Section 4);
 - (iv) External Debt (Section 5-6);
 - (v) Impact on Council Tax (Section 7);
 - (vi) Treasury Management Indicators (Section 8).

These indicators are presented in the following paragraphs and summarised at Annex A.

2. Prudential Indicator – Capital Expenditure

- 2.1. This indicator details the overall total planned capital expenditure of the Council and therefore reflects the Council's Capital Programme. This is the subject of a separate report elsewhere on today's agenda.
- 2.2. The actual capital expenditure that was incurred in 2007/2008 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2007/2008</u> <u>Actual</u> <u>£m</u>	<u>2008/2009</u> <u>Estimate</u> <u>£m</u>	<u>2009/2010</u> <u>Estimate</u> <u>£m</u>	<u>2010/2011</u> <u>Estimate</u> <u>£m</u>	<u>2011/2012</u> <u>Estimate</u> <u>£m</u>
Childrens Services	13.052	25.502	21.197	19.160	0.000
Housing – General Fund	13.309	19.679	18.928	15.912	1.257
Technical Services	6.822	7.595	7.831	7.347	1.597
Other Services	38.993	31.004	21.673	2.312	1.250
Total non-HRA	72.176	83.780	69.629	44.731	4.104
HRA	0.121	0.000	0.000	0.000	0.000
Total	72.297	83.780	69.629	44.731	4.104

- 2.3. At this time, the Council has only received provisional indications as to the capital resources it may be given in 2010/2011 and 2011/2012 and this is reflected in the current levels of planned expenditure.

3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers. From 2008/09 Net Revenue Stream includes Area Based Grant.
- 3.2. Estimates of the ratio for the current and future years and the actual figures for 2007/2008 are:

Financing Costs/Net Revenue Stream					
	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	4.0%	3.6%	5.3%	5.6%	5.2%

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The increasing figure reflects the cessation of the Commutation Adjustment which has previously helped reduce financing costs, and costs relating to the size of the new starts Capital Programme financed from borrowing. The 2008/09 figure has fallen due to the inclusion of Area Based Grant in the Net Revenue Stream figure (this was previously categorised as income for individual services). Whilst this continues into following years, the significant reduction in investment income has increased the Net Financing Costs and thereby negated the impact of the ABG inclusion.

4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements.
- 4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

Capital Financing Requirement					
	<u>31/03/08</u>	<u>31/03/09</u>	<u>31/03/10</u>	<u>31/03/11</u>	<u>31/03/12</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	149.500	170.200	190.000	195.000	194.000

Agenda Item 10

- 4.3. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key indicator of prudence:

"In order to ensure that the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short-term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".

- 4.4. The Authority will comply with this requirement in 2009/10, 2010/11 and 2011/12.

5. **Prudential Indicator – Borrowing Limits**

- 5.1. External borrowing undertaken by the Council arises as a consequence of all the financial transactions of the Authority, both capital and revenue, and not simply those arising from capital spending. The Council manages its Treasury Management position in terms of its external borrowings and investments in accordance with its approved Treasury Management Strategy and Policy Statements. These documents are presented for approval elsewhere on today's agenda.

5.2. The Operational Boundary

- 5.2.1. The Operational Boundary sets a limit on the total amount of long-term borrowing that the Council can undertake. It reflects the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices. The figures are based on prudent estimates.

- 5.2.2. In respect of the Operational Boundary it is recommended that the Council approves the following limits for the next three financial years. These limits separately identify borrowing from other long-term liabilities.

Operational Boundary				
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	154.000	173.000	183.000	188.000
Other long term liabilities	7.500	7.500	7.500	6.500
Total	161.500	180.500	190.500	194.500

- 5.2.3. The Council is asked to approve these limits and to delegate authority to the Finance Director to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes made will be reported to Members at the earliest opportunity.

5.3. The Authorised Limit

- 5.3.1. The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2009/10 will be the statutory limit determined under section 3 (1).
- 5.3.2. The Council is asked to delegate authority to the Finance Director to effect movement between the separately agreed figures for borrowing and other long-term liabilities within the total authorised limit for any year. Any such changes will be reported to the Council at the earliest opportunity. The Authorised Limit for external debt are:

Authorised Limit				
	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (short & long-term)	169.000	188.000	198.000	203.000
Other long term liabilities	7.500	7.500	7.500	6.500
Total	176.500	195.500	205.500	209.500

6. Prudential Indicator – Actual External Debt

- 6.1. The Prudential Code requires that in setting indicators for 2009/10, the Council reports its actual levels of external debt as at 31 March 2008. The Council's actual external debt at 31 March 2008 was £131.883, comprising £124.007m borrowing and £7.876m other long-term liabilities.
- 6.2. The estimated external debt at 31 March 2009 is equal to the Operational Boundary for 2008/09 of £161.500m (see Para 5.2.2 above). The increase in external debt reflects the borrowing required in 2008/09 to meet expenditure within the Capital Programme.

7. Prudential Indicator – Impact on Council Tax

- 7.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. The Authority is given revenue support for borrowing up to a limit determined by Central Government, and this will therefore have no effect on the Council Tax. However, any unsupported borrowing will have to be funded by Council

Agenda Item 10

Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.

- 7.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 7.3. The level of any unsupported borrowing is subject to the consideration of the New Starts Capital Programme, which is contained elsewhere on the agenda. If Members were to approve all of the New Starts Capital Programme presented, the impact on Council Taxpayers would be as highlighted below. It should be noted that where external funding for a proportion of the expenditure is to be received, this has reduced the gross additional cost and therefore the impact on Council Tax.

Impact on Band D Council Tax		
<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
£	£	£
0.94	3.37	3.37

- 7.4. In the event that any amendments are made to the New Starts Capital Programme considered on today's agenda, the actual indicator will be recalculated accordingly.

8. Prudential Indicator – Treasury Management

- 8.1. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The annual Policy and Strategy Documents establish the following limits/controls for interest rate exposure, debt maturity profiles and an upper limit for investments made by the Council for more than 364 days.

8.1.1. Interest Rate Exposure

- i) An upper limit on its fixed interest rate exposures for 2009/2010 – 2011/2012 of 160% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2009/2010 – 2011/2012 of 15% of its net outstanding principal sums.

8.1.2. Debt Maturity Profile

A debt maturity profile is detailed in the following table i.e. the amount of borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Debt Maturity Profile	<u>Upper limit</u>	<u>Lower limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

8.1.3. Investments Over 1 Year

An upper limit on the value of non-specified investments over 1 year, but less than 5 years with Banks/Building Societies (as approved in the annual Policy and Strategy Documents) of 40% of Total Investments. This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

9. Monitoring Prudential Indicators

- 9.1. Having established the Prudential Indicators the Finance Director will monitor them during the year and report on actual performance as part of the Council's Annual Accounts. In the event of any variations during a financial year reports will be presented to Cabinet highlighting the variation, the reason and the corrective action to be taken.

10. Recommendations

- 10.1. Cabinet is recommended to:

- a) Approve the Prudential Indicators detailed in the report, and summarised in Annex A to be used as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Approve the amendments of relevant Prudential Indicators in the event that any unsupported borrowing is approved as part of the 2009/2010 Revenue Budget;
- c) Delegate authority to the Finance Director to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report; and
- d) Refer the report to Council for approval.

Agenda Item 10

Summary of Prudential Indicators.

ANNEX A

Capital Expenditure - 2006/2007 to 2010/2011 (Para 2)					
	2007/2008 £'000 Actual	2008/2009 £'000 Estimate	2009/2010 £'000 Estimate	2010/2011 £'000 Estimate	2011/2012 £'000 Estimate
Education	13,052	25,502	21,197	19,160	0
Housing – General Fund	13,309	19,679	18,928	15,912	1,257
Technical Services	6,822	7,595	7,831	7,347	1,597
Other Services	38,993	31,004	21,673	2,312	1,250
Total non-HRA	72,176	83,780	69,629	44,731	4,104
HRA	121	0	0	0	0
TOTAL	72,297	83,780	69,629	44,731	4,104

Financing Costs/Net Revenue Stream (Para 3)					
	2007/2008 Actual	2008/2009 Estimate	2009/2010 Estimate	2010/2011 Estimate	2011/2012 Estimate
Non HRA	4.0%	3.6%	5.3%	5.6%	5.2%
HRA	-1.9%	0.0%	0.0%	0.0%	0.0%

Capital Financing Requirement (Para 4)					
	31/03/2008 £'000 Actual	31/03/2009 £'000 Estimate	31/03/2010 £'000 Estimate	31/03/2011 £'000 Estimate	31/03/2012 £'000 Estimate
Non HRA	149,500	170,200	190,000	195,000	194,000

Agenda Item 10

HRA	0	0	0	0	0
Total	149,500	170,200	190,000	195,000	194,000

Operational Boundary (Para 5)

	2008/2009 £m	2009/2010 £m	2010/2011 £m	2011/2012 £m
Borrowing	154.000	173.000	183.000	188.000
Other long term liabilities	7.500	7.500	7.500	6.500
Total	161.500	180.500	190.500	194.500

Authorised Limit (Para 5)

	2008/2009 £m	2009/2010 £m	2010/2011 £m	2011/2012 £m
Borrowing	169.000	188.000	198.000	203.000
Other long term liabilities	7.500	7.500	7.500	6.500
Total	176.500	195.500	205.500	209.500

Unsupported Borrowing (Para 7)

	2009/2010 £m	2010/2011 £m	2011/2012 £m
General Fund	3.485	0.000	0.200

Impact on the Band D Council Tax (Para 7)

	2009/2010 £	2010/2011 £	2011/2012 £
	0.94	3.37	3.37

Limit on Interest Rate Exposure (Para 8)

	Upper Limit	Lower Limit
Fixed Borrowing/ Investment	160%	85%
Variable Borrowing/ Investment	15%	-60%

Fixed Rate Debt Maturity (Para 8)

	Upper Limit	Lower Limit
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Agenda Item 10

Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Investments over 1 Year (Para 8)

Non-Specified Investments over)
1 year but less than 5 years with) 40% of Total
approved Banks/Building) Investments
Societies)

Agenda Item 11

REPORT TO: Cabinet
Council

DATE: 26 February 2009
26 February 2009

SUBJECT: 2009/2010 – 2011/2012 Capital Programme

WARDS AFFECTED: All

REPORT OF: Paul Edwards - Finance & IS Director
Alan Moore - Strategic Director Regeneration
& Deputy Chief Executive
Charlie Barker - Director of Adults Social Care
Bryn Marsh - Strategic Director Of Children's
Services

CONTACT OFFICER: Lynton Green – Senior Assistant Finance
& IS Director - 0151 934 4096

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To consider the formulation of the 2009/2010– 2011/2012 Capital Programme.

REASON WHY DECISION REQUIRED:

To approve the Capital Programme at **Annex A** which will facilitate delivery of capital projects.

RECOMMENDATION(S):

Cabinet is requested to:-

- a) Note the report;
- b) Approve the 2009/2010 – 2011/2012 Capital Programme (**Annex A**);
- c) Note the intention of SAMG to review the programme, with particular attention to dormant schemes, with the possibility that resources may be made available for other schemes.
- d) Confirm that Cabinet Members may continue to approve schemes from within their specific capital allocations included in **Annex A**;
- e) Approve the use of lease facilities in 2009/2010 provided that any revenue consequences can be accommodated within appropriate budgets;
- f) Request that SAMG review the New Starts Programme in light of emerging issues; and
- g) Refer the report to Council for approval.

Agenda Item 11

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: Following Council on 26 February 2009

ALTERNATIVE OPTIONS:

To not approve the capital programme which will prevent progress of capital schemes.

IMPLICATIONS:

Budget/Policy Framework: The revenue implications of the ongoing and new starts capital programme presented in this report can be contained in the draft Base Budget for 2009/2010, which is the subject of a separate report on the agenda.

Financial: See above

Legal: None

Risk Assessment: Delivery of certain schemes in the programme, for example those of a Health & Safety nature, will reduce the level of risk to which the Council is exposed.

Asset Management: Approval of the capital programme will enable the delivery of the Council's Asset Management Plan.

CONSULTATION UNDERTAKEN/VIEWS

Strategic Asset Management Group have been consulted.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Creating Safe Communities	√		
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability	√		
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People	√		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Department for Children Schools and Families Website - Schools Capital Allocations 2008/09 – 2010/11 – 7th. November 2007; LAC(1810070005) – Local Authority Children’s Services Funding 2008/09 – 2010/11 – 6th. December 2007. Letters from Department of Health: Adults’ Personal Social Services: Distribution of Single Capital Pot and Specific Capital Allocations in 2009-10 & 2010-11 – 26th November 2008; Adults’ Personal Social Services (PSS): Specific Revenue and Capital Grant Allocations and Contributions to Area Based Grant for 2009-10 & 2010-11 – 26th November 2008.

Department of Health Local Authority Circular – 22 August 2008.

Letter from Government Office for the North West: Three Year Local Transport Capital Settlement (2008/09 – 2010/11) – 27 November 2007.

Letter from Government Office for the North West: Local Authority Housing Capital Allocations – 10th.December 2008.

www.communities.gov.uk - Local Authority Disabled Facilities Grant Allocations for 2009/10 – 10th. December 2008.

Agenda Item 11

BACKGROUND:

1. Introduction

- 1.1. This report considers the latest position in respect of 2008/2009 and development of the 2009/2010 – 2011/2012 Capital Programme in the light of recent resource notifications received from Central Government and the formulation of the Revenue Budget.

2. Capital Programme 2008/2009

- 2.1. All existing approved and ongoing schemes have been completely reviewed and this is reflected in the Capital Programme attached at **Annex A**. Members may wish to request a further review of the programme, which may result in the amendment of certain schemes. Furthermore, the examination of dormant schemes, that is those schemes where there has been little or no expenditure in the recent past, may allow resources to be made available for other schemes.
- 2.2. Members will recall that at the Cabinet meeting on 2 October 2008, approval was given to the extension of the freeze on certain capital schemes, outlined in the report, until 1 April 2009. The freezing/delaying of these schemes was estimated to generate a saving of £0.051m in financing charges within the council's revenue budget. These schemes, incorporated at Annex A, are shown with all expenditure now phased in 2009/2010.

3. Capital Resources 2009/2010

- 3.1. The capital expenditure within the capital programme is financed from a number of sources, including:-
- a) Government Supported Borrowing;
 - b) Government Funded Grants;
 - c) Council Supported Borrowing – “Prudential borrowing”;
 - d) Specific capital receipts;
 - e) Miscellaneous Contributions/External Grants;
 - f) Direct Revenue Funding.
- 3.2. Last year, the government issued Supported Capital Expenditure (SCE) notifications for certain services in line with the Comprehensive Spending Review Period of 2008 – 11. In addition, annual allocations are made that indicate the Government's proposals for supporting capital expenditure for the forthcoming financial year within each service area through either supported borrowing or grants. Each of these components is dealt with in the following paragraphs.

3.3. Government Supported Borrowing 2009/2010

3.3.1. Although resources are allocated by individual Government Departments for specific services, the borrowing can be utilised on any service in accordance with the principles of the Single Capital Pot. However, diverting resources between services can have an effect on the allocations from Government Departments in subsequent years.

3.3.2. The Government's revenue support for this borrowing is provided through Formula Grant as determined by the Capital Financing element of the Relative Needs Formula (RNF).

3.3.3. The SCE notifications which allow amounts to be funded from borrowing are presented in the table below:-

SCE – Supported Borrowing 2009/10

	2008/09 £'000	2009/10 £'000	Variation £'000
Children's Services - Education	3,467	2,974	-493
Children's Services – Personal Social Services	46	46	0
Transportation	1,914	2,105	+191
Total Supported Borrowing	5,427	5,125	-302

3.3.4. Under the Prudential Code, the Council can supplement Government supported borrowing by further "Prudential borrowing" funded exclusively from Council resources. Such borrowing must be affordable and within authorised limits approved by the Council.

3.4. Government Capital Grant Allocations 2009/2010

3.4.1. Unlike Revenue Support Grant, which is fixed by Government before the start of the financial year, capital grants can be increased as additional schemes are approved or Government allocates additional resources. The indicative SCE allocations relating to Capital Grants for 2009/2010 are:-

SCE – Capital Grant 2009/10

	2008/09 £'000	2009/10 £'000	Variation £'000
Children's Services - Devolved Formula Capital	3,241	3,191	-50
Children's Services - Targeted Capital Fund	816	2,000	+1,184
Children's Services – Extended Schools	433	459	+26
Children's Services - Youth Capital Fund	150	150	0
Housing – Disabled Facilities Grants	964	1,157	+193
Social Services – Social Care	147	147	0
Social Services - Mental Health	151	150	-1
Social Services – Adult Social Care IT Infrastructure	100	106	+6
Transportation	4,380	3,561	-819
Total Capital Grant	10,382	10,921	+539
Allocation not yet known:- Housing	4,985	-	-

3.4.2. The significant increase of in excess of £1m, in respect of Children's Services – Targeted Capital Fund, related to funding provided by the DCSF to support the provision of facilities for 19 diplomas and/or to improve facilities for pupils with special educational needs and disabilities.

Agenda Item 11

This funding has been granted to those local authorities not currently in the Building School for the Future (BSF) programme as an additional resource.

3.5. **Former Housing Revenue Account (HRA)**

Following stock transfer, any outstanding capital liabilities relating to the former HRA Capital Programme not spent in 2008/09, which form a commitment in future years, will be met from retained former Major Repairs Allowance. As a result, there will be no call on the Council's general capital resources.

3.6. **Housing Market Renewal Initiative**

The Housing Market Renewal Initiative (HMRI) will receive Government support for 2009/10 via the three-year allocation for the period 2008/09 - 2010/11. When the Council was informed of this allocation, only 2008/09 was given as an actual allocation with both 2009/10 and 2010/11 given as indicative allocations. At the time of writing this report, the exact allocation for 2009/10 is still awaited. In respect of **Annex A** attached, the proposed HMRI expenditure, net of any Council contribution, has been included for 2009/10 – 2010/11. As and when the exact allocation for 2009/10 is known, this will be reported to the appropriate Cabinet Member together with the 2009/10 – 2010/11 HMRI programme for approval.

3.7. Traditionally, the Cabinet has allocated all SCE resources – from both supported borrowing and capital grants – to the appropriate service. This policy has been reflected in the Capital Programme MTFP for the period 2009/2010 to 2011/2012 attached at **Annex A**.

3.8. The detailed items presented in **Annex A** include all schemes approved by the Cabinet to date plus general uncommitted provisions to reflect the new allocations detailed in section 3 of this report. The identification of specific schemes against these unallocated resources has traditionally been the subject of further reports to the relevant Cabinet Members and Cabinet are requested to confirm the continuation of this practice.

3.9. The revenue budget assumes the capitalisation of £1.0m of maintenance projects to be funded from prudential borrowing.

4. New Starts Capital Programme 2009/2010- 2011/2012

- 4.1. Cabinet, at its meeting on 8 January 2009, resolved that the items contained within the New Start Capital Programme 2009/10 to 2011/12 and previously examined by SAMG, be noted and considered further as part of the budget process.
- 4.2. A provision has been made within the Revenue Budget; reflected elsewhere on today's agenda; to enable the Council to meet the revenue costs of a Capital New Starts Programme. However, since the decision taken on 8 January a number of other schemes/issues have been highlighted necessitating a further detailed review. It is proposed that SAMG revisit the New Starts alongside these emerging issues and report back to Cabinet in March.

5. Recommendations

5.1 Cabinet are requested to:-

- a) Note the report;
- b) Approve the 2009/2010 – 2011/2012 Capital Programme (**Annex A**);
- c) Note the intention of SAMG to review the programme, with particular attention to dormant schemes, with the possibility that resources may be made available for other schemes.
- d) Confirm that Cabinet Members may continue to approve schemes from within their specific capital allocations included in **Annex A**;
- e) Approve the use of lease facilities in 2009/2010 provided that any revenue consequences can be accommodated within appropriate budgets;
- f) Request that SAMG review the New Starts Programme in light of emerging issues; and
- g) Refer the report to Council for approval.

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Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

ANNEX A

CAPITAL PROGRAMME 2008/09 - 2011/12

Committee Summary

1	2	3	4	5	6	7
COMMITTEE	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Services						
Children's Services	95,921.30	30,062.35	25,501.91	21,196.90	19,160.14	0.00
Corporate Services	15,785.40	10,209.71	1,907.77	3,667.92	0.00	0.00
Environmental	6,643.07	3,629.51	1,604.11	806.65	602.80	0.00
Health & Social Care	18,364.08	8,622.62	3,930.64	2,938.06	1,715.76	1,157.00
Leisure and Tourism	42,333.60	18,433.16	13,142.27	10,508.17	200.00	50.00
Regeneration	45,502.46	17,159.93	17,798.35	5,144.18	5,300.00	100.00
Technical Services	43,353.80	16,968.93	7,594.83	7,830.99	7,347.05	3,612.00
Capitalisation - Maintenance Projects	4,000.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
Total General Fund Services	271,903.71	105,086.21	72,479.88	53,092.87	35,325.75	5,919.00
Former Housing Revenue Account (includes post transfer commitments)	4,117.71	3,863.52	254.19	0.00	0.00	0.00
Total All Sefton Services	276,021.42	108,949.73	72,734.07	53,092.87	35,325.75	5,919.00
FOR INFO ONLY						
Government Funded Programmes						
Housing Market Renewal (net of council contribution)	33,524.00	0.00	10,946.00	13,173.00	9,405.00	0.00
Safer, Stronger Communities Fund	79.71	0.00	79.71	0.00	0.00	0.00
Business Neighbourhood Grant	198.00	0.00	20.00	178.00	0.00	0.00
Total Government Funded Programmes	33,801.71	0.00	11,045.71	13,351.00	9,405.00	0.00
TOTAL ALL SCHEMES	309,823.13	108,949.73	83,779.78	66,443.87	44,730.75	5,919.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	City Learning Centre - Savio High School	2,080.00	1,914.29	165.71	0.00	0.00	0.00
2	Schools Access Initiative 2002/04	53.98	14.56	39.42	0.00	0.00	0.00
3	City Learning Centre - Ainsdale HS	1,961.77	1,779.77	182.00	0.00	0.00	0.00
4	Great Crosby RC PS - Single Siting	327.83	309.84	17.99	0.00	0.00	0.00
5	CSF IT Strategy	1,250.00	1,087.22	132.78	30.00	0.00	0.00
6	St Andrews - Larger Classrooms	1,808.85	1,777.28	31.57	0.00	0.00	0.00
7	Forefield Juniors-Alteration and Extension	222.88	209.02	0.00	13.86	0.00	0.00
8	Hillside High School - Specialist Science Status	665.00	642.97	22.03	0.00	0.00	0.00
9	Capitalised Maintenance	820.06	0.00	720.06	100.00	0.00	0.00
10	Improving Information Management	287.78	270.40	5.38	12.00	0.00	0.00
11	Merefield-New Classrooms	1,446.86	1,409.03	25.62	12.21	0.00	0.00
12	School Travel Plans 2004/05 - 2008/09	273.96	133.68	140.28	0.00	0.00	0.00
13	Litherland Sports Park	5,551.35	5,294.41	256.94	0.00	0.00	0.00
14	Hillside High School - Sports Hall	1,700.00	1,672.91	27.09	0.00	0.00	0.00
15	Devolved Formula Capital	8,602.43	0.00	2,022.33	3,389.05	3,191.05	0.00
16	Integrated Children's System	344.00	248.24	95.76	0.00	0.00	0.00
17	Birkdale High School-Media Hall	1,338.52	1,201.84	136.68	0.00	0.00	0.00
18	Range HS - Specialist Accommodation	2,755.00	2,707.48	47.52	0.00	0.00	0.00
19	Rimrose Hope Primary School-Targeted Capital	6,314.75	467.79	3,396.96	2,300.00	150.00	0.00
20	Youth Capital Fund	734.29	285.19	149.70	149.70	149.70	0.00
21	Shoreside Primary - Window/ Kitchen Replacement	185.92	147.72	38.20	0.00	0.00	0.00
22	CS IT (Single Child Record)	540.00	0.00	4.65	535.35	0.00	0.00
23	Catholic Repl. School (St James/St Joan of Arc)	586.12	0.00	586.12	0.00	0.00	0.00
24	Computers for Pupils	945.80	419.62	526.18	0.00	0.00	0.00
25	Greenbank HS - Changing Rooms	158.40	145.64	12.76	0.00	0.00	0.00
26	Thomas Gray PS - Single Siting	3,150.00	318.69	1,681.31	1,150.00	0.00	0.00
27	South Sefton Sixth Form Centre	12,018.98	726.52	8,725.04	2,450.13	117.29	0.00
28	Churchtown CP School - SEN Facilities	144.19	134.80	9.39	0.00	0.00	0.00
29	Crosby High School - Specialist School Status	126.00	20.92	105.08	0.00	0.00	0.00
30	Primary Capital Strategy External Consultancy	65.00	10.56	54.44	0.00	0.00	0.00
31	Mobile Technology Children's Social Workers	107.06	55.02	52.04	0.00	0.00	0.00
32	Children's Centres Ph 1 - Residual Costs	344.92	315.17	29.75	0.00	0.00	0.00
33	Framework Contracting - external consulting	60.00	0.00	60.00	0.00	0.00	0.00
34	Maximum Contribution to OSP	5,000.00	0.00	0.00	0.00	5,000.00	0.00
35	Newfield School - Specialist College Status	159.82	0.00	40.00	110.00	9.82	0.00
36	ICT Capital Funding	434.59	0.00	434.59	0.00	0.00	0.00
37	Playing For Success - Aintree Racecourse	45.00	0.00	45.00	0.00	0.00	0.00
38	Fair Play Playbuilder Programme	1,117.44	0.00	297.98	409.73	409.73	0.00
39	Information System for Parents and Providers	24.04	0.00	24.04	0.00	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
40	Forefield Juniors - Outdoor Facilities	300.27	0.00	25.00	265.00	10.27	0.00
41	Primary Capital Programme	3,618.03	0.00	0.00	3,618.03	0.00	0.00
42	TCF 14 - 19 Diplomas	8,000.00	0.00	0.00	2,000.00	6,000.00	0.00
43	Old Schemes	113.51	19.97	93.54	0.00	0.00	0.00
Total General		75,784.40	23,740.55	20,460.93	16,545.06	15,037.86	0.00

Modernisation

44	Maghull High School - Maths/ Music Rooms	1,110.00	746.89	338.11	25.00	0.00	0.00
45	Litherland High School Set Up Costs	500.00	357.85	142.15	0.00	0.00	0.00
46	Crossens Nursery Relocation to Larkfield CP School	692.25	469.89	207.36	15.00	0.00	0.00
47	Farnborough Road School Kitchen / Dining Imps.	2,063.87	0.00	106.95	800.75	1,156.17	0.00
48	Other NDS Modernisation Schemes	1,167.10	0.00	0.00	767.03	400.07	0.00
Total Modernisation		5,533.22	1,574.63	794.57	1,607.78	1,556.24	0.00

School Access Initiative

49	Litherland HS - Hygiene Area/ Lift	277.78	267.34	10.44	0.00	0.00	0.00
50	Primary School Schemes	105.15	90.33	14.82	0.00	0.00	0.00
51	Summerhill Primary - Hygiene Room / SEN	162.99	149.76	13.23	0.00	0.00	0.00
52	Improved Access to the National Curriculum 07/08	34.00	28.62	5.38	0.00	0.00	0.00
53	Hillside High School Courtyard Extension	748.76	155.51	556.25	37.00	0.00	0.00
54	General Access Works at various schools	50.00	0.00	50.00	0.00	0.00	0.00
55	Summerhill Primary - Ramps, doors & reception imp	16.97	0.00	16.97	0.00	0.00	0.00
56	Maghull HS - Ramps, doors, handrails & paving	17.61	0.00	17.61	0.00	0.00	0.00
57	Stanley HS - Entrance & reception areas	43.53	0.00	43.53	0.00	0.00	0.00
58	Lander Road PS Changing Room	19.74	0.00	19.74	0.00	0.00	0.00
59	Meols Cop HS Ramps	12.00	0.00	12.00	0.00	0.00	0.00
60	Other School Access Initiative Schemes	821.55	0.00	19.97	400.79	400.79	0.00
Total Schools Access Initiative		2,310.08	691.56	779.94	437.79	400.79	0.00

New Pupil Places

61	Chesterfield High School-Roof Replacement	253.80	241.74	12.06	0.00	0.00	0.00
62	Hatton Hill Primary-Boiler Replacement	101.26	67.78	33.48	0.00	0.00	0.00
63	Daleacre (IMPACT) - Window Replacement	45.00	24.63	20.37	0.00	0.00	0.00
64	Lydiat Primary - Concrete Repairs	55.00	38.63	16.37	0.00	0.00	0.00
65	Formby High - Mains Distribution Upgrade	56.00	33.28	22.72	0.00	0.00	0.00
66	Farnborough Rd Infants - Electrical Rewire	120.00	110.75	9.25	0.00	0.00	0.00
67	Farnborough Rd Juniors - Lighting Upgrade	60.00	49.50	10.50	0.00	0.00	0.00
68	Meols Cop High School - Resourced Area	67.86	58.76	9.10	0.00	0.00	0.00
69	Deyes High School - Repl. rotted windows	61.22	0.00	61.22	0.00	0.00	0.00
70	Oakfield PRU - Boiler Repl.	106.88	25.56	81.32	0.00	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
71	Crosby High - Boiler Repl.	116.77	13.77	103.00	0.00	0.00	0.00
72	Lander Rd. PS - Kitchen Refurbishment	107.18	100.02	7.16	0.00	0.00	0.00
73	Northway PS - Repl.pipework & install boiler plant	146.00	101.01	44.99	0.00	0.00	0.00
74	Birkdale High School Boiler Repl.	98.29	0.00	98.29	0.00	0.00	0.00
75	Churchtown Primary School Boiler Repl.	66.10	0.00	66.10	0.00	0.00	0.00
76	Shoreside Primary School Boiler Repl.	89.52	0.00	89.52	0.00	0.00	0.00
77	Daleacre Campus Window Repl.	50.00	0.00	50.00	0.00	0.00	0.00
78	Stanley High School Window Repl.	100.00	0.00	100.00	0.00	0.00	0.00
79	Linaker Primary School Windows & Roof Repairs	104.02	0.00	104.02	0.00	0.00	0.00
80	Meols Cop High School Imps to CDT Block	49.76	0.00	49.76	0.00	0.00	0.00
81	Northway Primary Repl. of fire alarm	30.36	0.00	30.36	0.00	0.00	0.00
82	Bedford Primary Staffroom Enlargement	95.22	0.00	95.22	0.00	0.00	0.00
83	Maghull High School Dining Room Enlargement	130.12	0.00	130.12	0.00	0.00	0.00
84	Crosby High School Car Park Imps.	30.00	0.00	30.00	0.00	0.00	0.00
85	Woodlands PS Kitchen Refurbishment	149.67	0.00	149.67	0.00	0.00	0.00
86	Other New Pupil Places Schemes	1,159.22	0.00	0.00	504.61	654.61	0.00
Total New Pupil Places		3,449.25	865.43	1,424.60	504.61	654.61	0.00
<u>New Opportunities Fund for PE and Sport</u>							
87	Multi Use Games Area-Formby High School	54.94	39.10	15.84	0.00	0.00	0.00
Total New Opportunities Fund for PE and Sport		54.94	39.10	15.84	0.00	0.00	0.00
<u>Surestart Grant Schemes</u>							
88	Litherland Moss-Extended School	122.00	119.42	2.58	0.00	0.00	0.00
89	Thornton Primary School-Children's Centre	252.85	247.30	5.55	0.00	0.00	0.00
90	Grange Primary-Children's Centre	176.48	172.18	4.30	0.00	0.00	0.00
91	Waterloo Primary-Children's Centre	158.21	141.44	16.77	0.00	0.00	0.00
92	Bishop David Sheppard-Children's Centre	310.15	295.09	15.06	0.00	0.00	0.00
93	Kings Meadow Primary-Children's Centre	143.65	136.90	6.75	0.00	0.00	0.00
94	Bootle All Saints-Children's Centre	246.45	0.00	246.45	0.00	0.00	0.00
95	Hatton Hill -Children's Centre	103.50	97.88	5.62	0.00	0.00	0.00
96	Unallocated Contingency	56.03	6.48	49.55	0.00	0.00	0.00
97	Extended Schools & Sustainability Programmes	1,869.05	1,764.84	104.21	0.00	0.00	0.00
98	Extended Schools 2008/09 - 2010/11	1,128.42	0.00	432.82	458.58	237.02	0.00
99	Early Years & Childcare 2008/09	2,882.88	0.00	960.96	960.96	960.96	0.00
100	Ph 1 & 2 Children's Centres Maintenance	230.91	0.00	50.81	87.76	92.34	0.00
101	Ph 3 Children's Centres	818.74	0.00	50.00	548.42	220.32	0.00
Total Surestart Capital Grant		8,499.32	2,981.53	1,951.43	2,055.72	1,510.64	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Children's Personal Social Services</u>							
102	Children's PSS - 2004/05-2007/08	198.00	169.55	28.45	0.00	0.00	0.00
103	Children's PSS - 2008/09	46.15	0.00	46.15	0.00	0.00	0.00
104	Children's PSS - 2009/10	45.94	0.00	0.00	45.94	0.00	0.00
Total Children's Personal Social Services		290.09	169.55	74.60	45.94	0.00	0.00
TOTAL CHILDREN'S SERVICES SCHEMES		95,921.30	30,062.35	25,501.91	21,196.90	19,160.14	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CORPORATE SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Admin Buildings</u>							
1	Old & Completing Schemes	212.33	183.28	29.05	0.00	0.00	0.00
2	Safety Glazing	420.00	410.08	9.92	0.00	0.00	0.00
3	Disabled Facilities	450.00	358.89	71.11	20.00	0.00	0.00
4	Asbestos Management Plan	150.00	125.62	24.38	0.00	0.00	0.00
5	Southport One Stop Shop	500.00	422.86	77.14	0.00	0.00	0.00
6	Contact Centre	250.00	237.61	12.39	0.00	0.00	0.00
7	Accommodation Strategy	2,500.80	3,089.67	-588.87	0.00	0.00	0.00
<u>Health and Safety Initiatives</u>							
8	2007/08 Programme	250.00	177.33	72.67	0.00	0.00	0.00
9	2008/09 Programme	250.00	0.00	250.00	0.00	0.00	0.00
10	Depot Improvements	70.00	0.00	70.00	0.00	0.00	0.00
11	Pleasureland Clearance / Demolition	400.00	312.95	27.05	60.00	0.00	0.00
12	Z Blocks Demolition	646.45	586.57	44.88	15.00	0.00	0.00
13	Demolition Fund	250.00	0.00	30.00	220.00	0.00	0.00
14	Display Cases for Mayoral Arts & Artifacts	40.00	0.00	0.00	40.00	0.00	0.00
15	Refurbishment of St. Peter's House (subject to call-in)	3,000.00	0.00	0.00	3,000.00	0.00	0.00
Total Admin Buildings		9,389.58	5,904.86	129.72	3,355.00	0.00	0.00
<u>Vehicles, Plant, Equipment</u>							
16	Replacement P.C.s	176.00	161.31	14.69	0.00	0.00	0.00
17	e-Government 2004/06	500.00	405.15	94.85	0.00	0.00	0.00
18	Councillors-Rollout of I.T	97.42	87.69	9.73	0.00	0.00	0.00
19	Technical Infrastructure	146.00	132.59	13.41	0.00	0.00	0.00
20	Legal Dept ICT Replacement Programme	94.57	38.01	56.56	0.00	0.00	0.00
21	IT Equipment - Server Replacement	90.00	41.69	48.31	0.00	0.00	0.00
22	E Government Priority Service Outcomes	400.00	227.42	0.00	172.58	0.00	0.00
23	E-government Geographical Information Service	165.00	108.84	56.16	0.00	0.00	0.00
24	Disaster Recovery, Business Continuity & Civil Contingencies	450.00	368.45	0.00	81.55	0.00	0.00
25	I.T. Firewall Replacement	25.00	17.45	7.55	0.00	0.00	0.00
26	I.T. Members ICT & Mobile Technology	90.00	41.43	28.57	20.00	0.00	0.00
27	I.P. Storage Area Network	50.00	11.21	0.00	38.79	0.00	0.00
28	Vehicle Replacement - Specialist Cleansing Vehicles	3,041.83	2,550.30	491.53	0.00	0.00	0.00
29	Vehicle Replacement - Cleansing	83.86	0.00	83.86	0.00	0.00	0.00
30	Vehicle Replacement - Leisure Services	223.26	28.42	194.84	0.00	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

CORPORATE SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
31	Vehicle Replacement - Specialist Transport	639.53	0.00	639.53	0.00	0.00	0.00
32	Vehicle Replacement - Education	24.82	0.00	24.82	0.00	0.00	0.00
33	Vehicle Replacement - New Directions	88.92	84.89	4.03	0.00	0.00	0.00
34	Vehicle Replacement - Technical Services	9.61	0.00	9.61	0.00	0.00	0.00
	Total Vehicles,Plant,Equipment	6,395.82	4,304.85	1,778.05	312.92	0.00	0.00
	TOTAL CORPORATE SERVICES SCHEMES	15,785.40	10,209.71	1,907.77	3,667.92	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

ENVIRONMENTAL

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Sefton Coastline Sea Defence Work</u>							
1	Crosby Park to Formby Point Strategic Study	206.00	173.84	32.16	0.00	0.00	0.00
2	Coastal Monitoring	209.29	199.93	9.36	0.00	0.00	0.00
3	CERMS - 2007/08 - 2010/11	230.00	45.65	62.25	74.30	47.80	0.00
Total Sefton Coastline Sea Defence Work		645.29	419.42	103.77	74.30	47.80	0.00
<u>Environmental</u>							
4	Public Convenience Modernisation	900.00	681.69	120.96	97.35	0.00	0.00
5	Merseyside Biobank	171.40	160.27	11.13	0.00	0.00	0.00
6	Alternating Weekly Refuse & Recycling	3,500.00	2,352.38	1,067.62	80.00	0.00	0.00
7	Air Pollution Monitoring Equipment	46.30	15.75	30.55	0.00	0.00	0.00
8	Gypsy and Traveller Sites	219.90	0.00	219.90	0.00	0.00	0.00
9	Waste Infrastructure	1,160.18	0.00	50.18	555.00	555.00	0.00
Total Environmental		5,997.78	3,210.09	1,500.34	732.35	555.00	0.00
TOTAL ENVIRONMENTAL SCHEMES		6,643.07	3,629.51	1,604.11	806.65	602.80	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

HEALTH & SOCIAL CARE

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
GENERAL							
1	I.I.M Leasing 2003/2004	44.36	30.40	13.96	0.00	0.00	0.00
2	I.I.M Cap Grant 2006/07 - 07/08	172.78	153.69	19.09	0.00	0.00	0.00
3	Disability Discrimination Act	406.69	331.37	55.32	20.00	0.00	0.00
4	Mental Health SCE (R) - Ringfenced 05/06	130.70	127.53	3.17	0.00	0.00	0.00
5	Mental Health SCE (R) - Ringfenced 06/07	136.10	43.82	92.28	0.00	0.00	0.00
6	Mental Health SCE (R) - Ringfenced 07/08	140.48	40.07	80.41	20.00	0.00	0.00
7	IT Strategy	488.00	226.06	11.94	150.00	100.00	0.00
8	Improving the Care Home Environment	550.00	365.32	184.68	0.00	0.00	0.00
9	Old & Completing Schemes	10.69	0.90	9.79	0.00	0.00	0.00
	Total General	2,079.80	1,319.16	470.64	190.00	100.00	0.00
Provision for New Starts - Subject to report							
10	Mental Health SCP (C) 2008/09 - 10/11	451.00	0.00	0.00	301.00	150.00	0.00
11	Social Care SCP (C) 2008/09 - 10/11	441.00	0.00	30.00	264.00	147.00	0.00
12	Adult Social Care IT Infrastructure 2008/09-10/11	317.06	0.00	0.00	205.30	111.76	0.00
	Total Provn. for new starts subj. to report	1,209.06	0.00	30.00	770.30	408.76	0.00
Housing Schemes							
Disabled Facilities Grants							
13	Previous Years' Approvals	6,800.81	6,716.04	84.77	0.00	0.00	0.00
14	2007/08 Approvals	1,380.41	587.42	742.99	50.00	0.00	0.00
15	2008/09 Approvals	2,300.00	0.00	1,272.24	977.76	50.00	0.00
16	2009/10 Approvals	1,800.00	0.00	0.00	900.00	850.00	50.00
	Total Disabled Facilities Grants	12,281.22	7,303.46	2,100.00	1,927.76	900.00	50.00
General							
17	Piper Solo	150.00	0.00	50.00	50.00	50.00	0.00
18	Drug Rehabilitation / Boscoe Hostel	1,280.00	0.00	1,280.00	0.00	0.00	0.00
	Total General	1,430.00	0.00	1,330.00	50.00	50.00	0.00
Provn. for new starts - subj. to report							
19	DFG (SCG)	1,364.00	0.00	0.00	0.00	257.00	1,107.00
	TOTAL HEALTH & SOCIAL CARE SCHEMES	18,364.08	8,622.62	3,930.64	2,938.06	1,715.76	1,157.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON
CAPITAL PROGRAMME 2008/09 - 2011/12

LEISURE AND TOURISM

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Leisure - General</u>							
1	Old and Completing Schemes	2,944.67	2,873.52	71.15	0.00	0.00	0.00
2	Chaffers Playing Field Pavilion	164.95	18.53	0.00	146.42	0.00	0.00
3	Potters Barn Local Heritage Museum	90.00	2.27	3.70	84.03	0.00	0.00
4	Hesketh Park	2,239.05	1,820.75	395.45	22.85	0.00	0.00
5	Maghull Leisure Facility	73.91	29.63	44.28	0.00	0.00	0.00
6	Maghull Leisure Centre	8,346.09	204.87	4,366.22	3,625.00	150.00	0.00
7	Adaptations to Library Buildings	80.00	55.60	24.40	0.00	0.00	0.00
8	Southport Leisure Pool Visitor Attraction	9,135.00	8,949.49	185.51	0.00	0.00	0.00
9	Provision of Skate Parks						
	- Marian Park, Netherton	100.00	0.00	0.00	100.00	0.00	0.00
	- Formby	100.00	0.00	0.00	100.00	0.00	0.00
	- Maghull	100.00	0.00	0.00	100.00	0.00	0.00
10	Derby Park Refurbishment	929.65	646.01	227.76	55.88	0.00	0.00
11	Roof repairs to libraries	100.00	0.00	12.60	87.40	0.00	0.00
12	Fernery (Botanic Gardens)	300.00	154.42	145.58	0.00	0.00	0.00
13	Repairs / refurbishment of park lodges	75.00	0.00	0.00	75.00	0.00	0.00
14	Hesketh Park Office / visitor centre	50.00	0.00	0.00	50.00	0.00	0.00
15	Crosby Coastal Park	500.00	0.00	0.00	500.00	0.00	0.00
16	Waterloo Judo Club	553.65	113.57	415.74	24.34	0.00	0.00
17	Netherton Activity Centre Contribution	3,600.00	20.00	300.00	3,280.00	0.00	0.00
18	Southport Sports Park Contribution	382.00	0.00	0.00	382.00	0.00	0.00
19	Botanic Gardens Museum, Roof and Lift	425.00	0.00	0.00	425.00	0.00	0.00
20	Improvements to Bedford Park	90.00	0.00	90.00	0.00	0.00	0.00
21	Improvements to Liverpool Rd Recreation Ground	65.00	0.00	65.00	0.00	0.00	0.00
22	Improvements to Play Facilities	60.00	0.00	60.00	0.00	0.00	0.00
23	Flue Gas Filtration Work at Southport Crematorium	999.78	0.00	0.00	999.78	0.00	0.00
24	Purchase of Arts Centre Lease	300.00	0.00	0.00	300.00	0.00	0.00
	Total General	31,803.75	14,888.66	6,407.39	10,357.70	150.00	0.00
<u>Tourism</u>							
25	Southport Pier - Programmed Maintenance	200.00	0.00	50.00	50.00	50.00	50.00
26	Southport Pier repair / decoration	132.07	0.00	122.07	10.00	0.00	0.00
27	Another Place - relocation of statues	194.00	97.71	5.82	90.47	0.00	0.00
28	Floral Hall Improvement Project	7,669.04	1,924.93	5,744.11	0.00	0.00	0.00
29	Southport T I C relocation	59.14	0.00	59.14	0.00	0.00	0.00
	Total Tourism	8,254.25	2,022.64	5,981.14	150.47	50.00	50.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

LEISURE AND TOURISM

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Southport Action Plan</u>							
30	Southport Marine Lake Improvements Zone 1	1,400.00	1,347.16	52.84	0.00	0.00	0.00
31	Southport T.C. Townscape Heritage Initiative Grants	875.60	174.70	700.90	0.00	0.00	0.00
	Total Southport Action Plan	2,275.60	1,521.86	753.74	0.00	0.00	0.00
TOTAL LEISURE & TOURISM SCHEMES		42,333.60	18,433.16	13,142.27	10,508.17	200.00	50.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

REGENERATION

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	Development Fund	521.00	475.43	45.57	0.00	0.00	0.00
2	Development Fund 2008/09: Cultural quarter Other projects	100.00 150.00	3.30 0.00	96.70 150.00	0.00 0.00	0.00 0.00	0.00 0.00
3	S.I.A Pump Priming - Feasibility Works	200.00	191.71	8.29	0.00	0.00	0.00
4	Leeds/Liverpool Canal	1,132.55	377.23	755.32	0.00	0.00	0.00
5	Lord Street Phase 2	3,664.07	1,777.90	1,886.17	0.00	0.00	0.00
6	Netherton Park Neighbourhood Centre	2,063.92	2,024.46	39.46	0.00	0.00	0.00
7	South Sefton Investment Centre	6,864.18	4,713.82	2,071.80	78.56	0.00	0.00
8	Water Centre Crosby	7,704.20	684.91	7,019.29	0.00	0.00	0.00
9	Crosby Marine Lake - Water Quality Imprvmt.	700.00	5.70	550.58	143.72	0.00	0.00
10	SLEGI early spend - FAB Pilot project	106.00	88.57	17.43	0.00	0.00	0.00
11	SLEGI early spend - P.R. Consultants	125.00	115.55	9.45	0.00	0.00	0.00
12	Southport Commerce Pk. - 3rd phase Devel.	1,000.00	0.00	0.00	1,000.00	0.00	0.00
13	Southport Commerce Pk. - Primary Sub Station	15.00	0.00	15.00	0.00	0.00	0.00
14	Old Schemes	804.36	719.94	84.42	0.00	0.00	0.00
Total General		25,150.28	11,178.52	12,749.48	1,222.28	0.00	0.00
Section 106 Agreements							
15	Chaffers & Brookvale-96/0734/S	26.00	0.00	0.00	26.00	0.00	0.00
16	Brookvale Children's Playspace-96/0734/S	46.87	0.00	0.00	46.87	0.00	0.00
17	Waddicar Ln - Application No.2000/774 Traffic Calming Off St. cycle route	18.00 24.00	0.00 0.00	0.00 0.00	18.00 24.00	0.00 0.00	0.00 0.00
18	26 - 30 Westcliffe Rd - S'brook Pk. Rec. Grnd.	30.16	0.00	0.00	30.16	0.00	0.00
Total Section 106 Agreements		145.03	0.00	0.00	145.03	0.00	0.00
Housing Regeneration Schemes							
Home Improvement Grants							
19	Previous Years' Approvals	4,807.94	4,553.00	254.94	0.00	0.00	0.00
20	2007/08 Approvals	747.87	425.02	322.85	0.00	0.00	0.00
21	2008/09 Approvals	700.00	0.00	337.50	262.50	100.00	0.00
22	2009/10 Approvals	700.00	0.00	0.00	400.00	200.00	100.00
23	Grant Administration Fees	297.60	176.80	70.00	50.80	0.00	0.00
Total Home Improvement Grants		7,253.41	5,154.82	985.29	713.30	300.00	100.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

REGENERATION

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
24	Energy Efficiency Grants	337.53	260.53	77.00	0.00	0.00	0.00
25	Landlord Accreditation / HMO's	35.00	29.78	5.22	0.00	0.00	0.00
26	Green Business Project	252.89	199.50	53.39	0.00	0.00	0.00
27	Neighbourhood Renewal Assessment, S'port	65.00	1.43	0.00	63.57	0.00	0.00
28	Empty Homes Strategy	290.00	276.49	13.51	0.00	0.00	0.00
29	Private Sector Stock Condition Survey	43.08	38.21	4.87	0.00	0.00	0.00
30	Strategic Housing Market Assessment	50.00	20.65	29.35	0.00	0.00	0.00
31	Housing Act - Works in Default	35.00	0.00	35.00	0.00	0.00	0.00
32	Older Persons Hsg Strat.- extra care provn.	3,000.00	0.00	0.00	500.00	2,500.00	0.00
33	Contribution to HMRI re demolition	1,300.00	0.00	1,300.00	0.00	0.00	0.00
34	Contribution to HMRI 2008/09	7,500.00	0.00	2,500.00	2,500.00	2,500.00	0.00
35	Unallocated - Housing Requirement	25.00	0.00	25.00	0.00	0.00	0.00
36	Old Schemes	20.24	0.00	20.24	0.00	0.00	0.00
Total General (Housing)		12,953.74	826.59	4,063.58	3,063.57	5,000.00	0.00
TOTAL REGENERATION SCHEMES		45,502.46	17,159.93	17,798.35	5,144.18	5,300.00	100.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>New Construction</u>							
1	Thornton Switch Island Link Scheme (Council Contribution)	5,912.00	0.00	110.00	1,678.00	512.00	3,612.00
<u>Carriageways / Priority Maintenance</u>							
2	A5090 Hawthorne Rd	3,352.44	1,154.13	396.48	256.78	1,545.05	0.00
3	Old & Completing Schemes	2.30	0.00	2.30	0.00	0.00	0.00
<u>Carriageway Resurfacing</u>							
4	Boundary St Southport	58.00	0.00	58.00	0.00	0.00	0.00
5	Mostyn Avenue Aintree	68.07	0.00	68.07	0.00	0.00	0.00
6	Kirklake Road Formby	44.00	0.00	44.00	0.00	0.00	0.00
7	Asland Gardens Southport	22.00	0.00	22.00	0.00	0.00	0.00
8	Rathbone Road Hightown	14.00	0.00	14.00	0.00	0.00	0.00
9	Balliol Road Bootle	123.00	0.00	123.00	0.00	0.00	0.00
10	Peach Grove Melling	14.00	0.00	14.00	0.00	0.00	0.00
11	Kilburn Street Bootle	45.00	0.00	45.00	0.00	0.00	0.00
12	Liverpool Rd North Maghull	108.00	0.00	108.00	0.00	0.00	0.00
13	Brasenose Road Bootle	41.00	0.00	41.00	0.00	0.00	0.00
14	Trinity Road Bootle	59.00	0.00	59.00	0.00	0.00	0.00
15	Liverpool Rd South Maghull	86.00	0.00	86.00	0.00	0.00	0.00
16	Oxford Road Waterloo	81.00	0.00	81.00	0.00	0.00	0.00
17	Back Dover Road Maghull	26.00	0.00	26.00	0.00	0.00	0.00
18	Downside Close Netherton	26.00	0.00	26.00	0.00	0.00	0.00
19	Kendal Drive Aintree	77.00	0.00	77.00	0.00	0.00	0.00
20	Southport Road Bootle - Northbound	84.00	0.00	84.00	0.00	0.00	0.00
21	Southport Road Bootle - Southbound	140.00	0.00	140.00	0.00	0.00	0.00
<u>De Trunking</u>							
22	A565 Detrunked Derby Rd	34.00	0.00	34.00	0.00	0.00	0.00
23	A565 Crosby Rd South Seaforth	101.00	0.00	101.00	0.00	0.00	0.00
24	A565 Water Lane Southport	70.00	0.00	70.00	0.00	0.00	0.00
25	A59 Northway - Maghull Phases 1-4	261.00	0.00	261.00	0.00	0.00	0.00
26	A565 Liverpool Road - Crosby	155.00	0.00	155.00	0.00	0.00	0.00
27	A565 The Bypass - Crosby	76.00	0.00	76.00	0.00	0.00	0.00
28	A565 Crosby Road North - Crosby	221.00	0.00	221.00	0.00	0.00	0.00
29	A565 Rimrose Road - Seaforth	106.00	0.00	106.00	0.00	0.00	0.00
30	A565 Formby Bypass Tesco	45.00	0.00	45.00	0.00	0.00	0.00
31	A565 Scaffold Lane/Northern Lane/Lady Green Lane	90.00	0.00	90.00	0.00	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
32	A565 Rimrose Road/St Joan of Arc/Marsh Lane	85.00	0.00	85.00	0.00	0.00	0.00
	Street Lighting						
33	Park Crescent	78.00	0.00	78.00	0.00	0.00	0.00
	Drainage						
34	Investigations	50.00	0.00	50.00	0.00	0.00	0.00
35	Scarbrick New Rd Southport	50.00	0.00	50.00	0.00	0.00	0.00
	Total Carriageways / Priority Maintenance	5,892.81	1,154.13	2,936.85	256.78	1,545.05	0.00
	<u>Bridges and Structures</u>						
	Assessment of Bridges						
36	Assessment (Retaining Walls)	20.00	0.00	20.00	0.00	0.00	0.00
37	Forward Planning & Co-ordination	160.00	0.00	60.00	50.00	50.00	0.00
	Bridge Strengthening						
38	Principle Inspection Works	140.00	0.00	60.00	80.00	0.00	0.00
39	Network Rail Structures	75.00	0.00	75.00	0.00	0.00	0.00
40	Parapet Strengthening	25.00	0.00	25.00	0.00	0.00	0.00
41	A565 Crosby Rd Flyover CP Scheme	174.42	170.92	3.50	0.00	0.00	0.00
42	Mersey Road	358.55	268.55	90.00	0.00	0.00	0.00
43	Bedford Road	196.97	79.81	117.16	0.00	0.00	0.00
44	South Road	124.25	14.25	110.00	0.00	0.00	0.00
45	Waterloo Railway - 5 Lamps	168.36	18.36	150.00	0.00	0.00	0.00
46	Bull Bridge	53.53	30.53	23.00	0.00	0.00	0.00
47	Everton View	144.43	0.00	144.43	0.00	0.00	0.00
48	Dunnings Centre	65.00	0.00	65.00	0.00	0.00	0.00
49	Little Altcar	2.00	0.00	2.00	0.00	0.00	0.00
50	Canal Bridge Painting	16.00	0.00	16.00	0.00	0.00	0.00
51	Hillside Station Bridge Painting	88.00	0.00	88.00	0.00	0.00	0.00
52	Poverty Lane	20.00	0.00	20.00	0.00	0.00	0.00
53	Old and Completing Schemes	5.68	0.00	5.68	0.00	0.00	0.00
	Total Bridges and Structures	1,837.19	582.42	1,074.77	130.00	50.00	0.00
	<u>Integrated Transport Programme</u>						
54	Current Schemes	23,467.40	15,232.38	3,215.21	2,754.81	2,265.00	0.00
	<u>Other Schemes</u>						
55	Southport Cycle Town	258.00	0.00	258.00	0.00	0.00	0.00
56	Old and Completing Schemes	6.66	0.00	0.00	6.66	0.00	0.00
	Total Other Technical Services Schemes	264.66	0.00	258.00	6.66	0.00	0.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Provision for New Starts - Subject to Report</u>							
57	Block Allocations	4,960.74	0.00	0.00	2,211.74	2,749.00	0.00
58	Detrunking Grant Allocation 2009/10 & 2010/11	1,019.00	0.00	0.00	793.00	226.00	0.00
TOTAL TECHNICAL SERVICES SCHEMES		43,353.80	16,968.93	7,594.83	7,830.99	7,347.05	3,612.00

Agenda Item 11

METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2008/09 - 2011/12

FORMER HOUSING REVENUE ACCOUNT

1	2	3	4	5	6	7	8
REF NO	PROJECT DESCRIPTION	TOTAL COST	EXPEND. TO 31.3.2008	2008/09	2009/10	2010/11	2011/12 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Committed Schemes</u>							
1	<u>Bootle Village SRB Scheme</u>	3,777.71	3,742.78	34.93	0.00	0.00	0.00
2	<u>Lonsdale Road Homeless Hostel</u>	40.00	2.24	37.76	0.00	0.00	0.00
3	<u>Retained Contracts - Outstanding Liabilities</u>	300.00	118.50	181.50	0.00	0.00	0.00
TOTAL FORMER HRA SCHEMES		4,117.71	3,863.52	254.19	0.00	0.00	0.00

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Agenda Item 12

REPORT TO: Cabinet
Council

DATE: 26 February 2009
26 February 2009

SUBJECT: Revenue Budget 2009/2010 – Budget Update

WARDS AFFECTED: All

REPORT OF: **Paul Edwards**
Finance and Information Services Director
0151 934 4082

CONTACT OFFICER: **Lynton Green**
Senior Assistant Finance & IS Director
0151 934 4096

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To advise Cabinet of current issues relating to the completion of the 2009/2010 budget process.

REASON WHY DECISION REQUIRED:

The Council must set a budget and a Council Tax by 10 March 2009 at the latest.

The Council's Constitution, in accordance with Statute, requires the Cabinet to propose a budget to Budget Council.

RECOMMENDATION(S):

Cabinet is recommended to:

1. Note the confirmed impact of external levies on the Council Tax;
2. Note the Finance and Information Services Director's assessment on the robustness of the each of the three Party Group Proposals;
3. Consider any comments from the Overview and Scrutiny Committee;
4. Recommend a Budget to Council for 2009/2010;
5. Note the intention to provide a verbal update on the precepts from the Police and Fire Authorities; and
6. Note the final Parish Precepts for 2009/2010.

KEY DECISION:

No, this report does not represent a key decision in itself but it does form an integral part of the Budget process for 2009/2010, which is a key decision for the Council.

FORWARD PLAN:

No – see above

Agenda Item 12

IMPLEMENTATION DATE: Following the expiry of the call-in period for this meeting.

ALTERNATIVE OPTIONS: There are no alternatives. The Council must set a budget and a Council Tax by 10 March 2009 at the latest.

IMPLICATIONS:

Budget/Policy Framework: Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2009/2010 and thereby shape the Council's financial plans for that year.

Financial: See above

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton Capital Resources	N/a	N/a	N/a	N/a
Specific Capital Resources	N/a	N/a	N/a	N/a
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure	N/a	N/a	N/a	N/a
Funded by:				
Sefton funded Resources	N/a	N/a	N/a	N/a
Funded from External Resources	N/a	N/a	N/a	N/a
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: The Council is required to set a Budget and Council Tax level by 10 March 2009.

Risk Assessment: None

Asset Management: None

CONSULTATION UNDERTAKEN/VIEWS

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

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Agenda Item 12

1 Introduction

- 1.1 The Council is legally required to fix its budget and set a Council Tax for 2009/2010 by 10 March 2009. A special budget Council has been arranged for 26 February 2009.
- 1.2 Cabinet on 5 February 2009 referred the Liberal Democrat Party Group proposed budget for 2009/2010 to the Overview and Scrutiny (O&S) Committee (Performance and Corporate Services) for its consideration and requested comments on the proposed budget. The proposed budgets from the Labour and Conservative Party Groups have since been agreed and they were also forwarded to O&S Committee for consideration. This report asks Members to consider the comments received from the O&S Committee, note the amendments to the overall budget due to the confirmed levies, and to recommend a budget to this evening's Special Budget Meeting of the Council.

2 Current Position

- 2.1 Since the last report, the relevant authorities have now approved all levies and the additional impact on Sefton's Council Tax of 0.70% has been confirmed. The final levies are shown in the table below.

Levying Body	Levy	Final	Net	Increase
	2008/2009	Levy	Increase	%
	£	£	£	
Merseyside Passenger Transport Authority	22,562,000	23,422,000	860,000	3.81
Waste Disposal Authority	12,285,393	12,809,122	523,729	4.26
Environment Agency	141,324	145,827	4,503	3.19
Sea Fisheries	43,540	44,802	1,262	2.90
Port Health Authority	95,700	99,500	3,800	3.97
	35,127,957	36,521,251	1,393,294	3.97

Recommendation 1:

Note the confirmed impact of external levies on the Council Tax.

3 Finance and Information Services Director's Assessment of the 2009/2010 Party Group Proposals

- 3.1 In accordance with the Local Government Act 2003, the Council's Section 151 Officer, the Finance and Information Services Director is required to provide a statement on the proposed Revenue Budget in relation to the Robustness of Budgets and Adequacy of Reserves. Cabinet on 5 February 2009 referred the draft budget of the Liberal Democrat Group to Overview and Scrutiny Committee for consideration. Subsequent to that meeting the Labour and Conservative Groups have finalised their budget proposals. Each of these budgets are attached at **Annexes A1 – 3** respectively.

3.2 Having reviewed the three budget proposals, the Finance and Information Services Director considers that the key elements of each budget are not materially different. There are some minor variations in the provisions for certain costs and alternative growth proposals in each of the Groups' budgets but the below assessment is equally valid for all budgets.

3.3 **Level of Balances** - The Finance and Information Services Director has recommended a minimum annual increase in unallocated general balances of £0.500m. The draft budget provides for this minimum amount in 2009/2010, taking general balances to £3.860m at 31 March 2010.

This continues the recent progress towards a more appropriate level of unallocated balances for an authority of Sefton's type and size.

Notwithstanding these comments, it is essential that balances at the end of 2009/2010 are as budgeted and expenditure is managed within approved budgets.

In addition to these unallocated balances, the proposed budget incorporates a number of reserves earmarked for specific liabilities. The most significant of these reserves, the Modernisation Reserve, holds £2.5m of uncommitted resources to meet one-off expenditure costs in 2009/2010 and future years. It is anticipated that this Fund will be increased by a one-off contribution of £1.5m from the Insurance Fund.

Furthermore, Cabinet on 5 February 2009 agreed to establish a Budget Pressures Reserve to address unpredictable and non-absorbable costs due to increasing demand, excess inflationary costs and the impact of the current economic situation. It is anticipated that this Reserve will be established by an initial one-off contribution of around £1.5m from the Insurance Fund, topped up by an additional figure in each of the party proposals.

The process for Service Directors to access this Reserve is currently in development and will be presented to Cabinet as part of the MTFP Update report on 19 March 2009. The availability and controls around these resources will improve the stability and financial standing of the proposed budget.

3.4 **Robustness of Budgets** - The key areas of budgetary risk for the Council in 2009/2010 relate to known areas of demand led pressures, the outcome of the Pay and Grading exercise, the National Pay Award and inflation, together with the impact of the current economic situation. Each of the issues are, to a certain extent, externally driven and the Authority has limited opportunity to eliminate any additional costs.

- i. **Demand Led costs** – These services have been considered separately from all other services and special provision has been made in the draft budget to address the following anticipated pressures:
 - Agency services on health and social care;
 - Children's agency budgets; and
 - Associated increases in the cost of transporting clients.

The 2009/2010 MTFP originally allocated £1m additional funding for these priority services, however each of the draft party budgets propose to increase these resources to more than £3m in accordance with the advice of the Finance and Information Services Director.

Agenda Item 12

Despite this there remains uncertainty around these costs, in particular in relation to the impact of the forthcoming enquiries into the recent Haringey/Baby P case. However, the existence of the Budget Pressures Reserve will support the Council's overall financial standing.

- ii. **Job evaluation / Equal Value costs** – the Council is currently finalising its job evaluation exercise to introduce a new pay structure. The final cost of this exercise will be determined by a number of factors yet to be agreed. The Council's Modernisation Reserve is considered adequate to meet the anticipated costs of this review.
- iii. **National Pay Award and Inflation** – all three budget proposals exclude any provision for the impact of any inflationary pressures on departmental budgets, with the exception of Priority Services for which 2% has been provided. This is a unique decision for the Authority and clearly will not be realistic or appropriate for all types of expenditure in all services. However, it is based on the recent and forecast movements in the Consumer Price Index (CPI), and is in the context of additional contributions to the Budget Pressures Reserve to meet any unavailable **and** non-absorbable price rises.

Similarly, the individual budget proposals include provision for the 2009 Pay Award at between 1.75% and 1.9%. In the context that the 2008 Pay Award remains unconfirmed at the current offer of 2.47% there is a case that the proposals are too low. However, given the forecast level of inflation and general economic situation it is not considered that there is a significant risk of a **substantial** shortfall in funding for the budget.

- iv. **Current Economic Situation** – Members will be fully aware of the downturn in the worldwide economic climate. Whilst the implications of this situation have been reflected in a revision in the forecast return on investments there are likely to be other less predictable variations.

Generally, the draft base budget rolls forward existing income levels for all services but there is already a downturn in income for Planning, Building Control and Land Charge services. Service Directors will be expected to review their existing service **costs** if income levels fall although the Budget Pressures Reserve will be available to avoid any unavoidable increased costs.

- 3.5 **Implications on Future Years** – As in previous years the position presented within the MTFP has already highlighted a budget gap in future years. Unlike previous years however, the budget proposals have not been balanced by the use of one-off efficiencies. It is anticipated that this development should minimise the increase in the budget gap in future years. The MTFP for 2010/2011 – 2012/2013 will be presented to Cabinet in March 2009. Following the introduction of three-year settlements there will be less uncertainty for future years but the following factors will influence the actual budget position:

- i. Capital Programme New Starts
- ii. Pay and Grading Review
- iii. Government Spending Review 2009

3.6 Summary of the Finance and Information Services Director's Assessment

The above statement identifies the key risks that the Council faces financially over the next financial year and, whilst there are certainly areas of risk and unpredictable challenges, all three budget proposals are acceptable. However, the final Council budget has yet to be prepared and relevant Members will need to take account of the issues set out in this report in finalising the 2009/2010 budget.

Recommendation 2:

Note the Finance and Information Services Director's assessment on the robustness of the each of the three Party Group Proposals.

4 Comments from Overview & Scrutiny Committee

- 4.1 As part of the ongoing process of involving Overview & Scrutiny Committees in the budget setting process, Members have been kept informed through regular updates. The budget report to Cabinet on 5 February 2009 has been passed to the Overview & Scrutiny (Performance and Corporate Services) Committee for consideration.
- 4.2 Overview & Scrutiny (Performance and Corporate Services) Committee considered the report at their meeting on 17 February 2009. Any comments from the Committee will be circulated separately prior to the meeting.

Recommendation 3:

Consider any comments from the Overview & Scrutiny Committee.

5 Budget Recommendation to Council

- 5.1 Having considered comments from the Overview & Scrutiny Committee, Cabinet is requested to recommend a Budget for consideration at tonight's Council meeting.

Recommendation 4:

Recommend a Budget to Council for 2009/2010.

6 Joint Authority Precepts

- 6.1 The Police Authority are due to approve their budget / precept for 2009/2010 on 19 February, with the Fire and Civil Defence Authority meeting on the afternoon of 26 February 2009. The decisions from these meetings will be verbally reported to Cabinet.
- 6.2 It should be noted that any Government capping intervention in relation to these precepts will be issued directly to the Joint Authorities.

Agenda Item 12

7 Parish Precepts

- 7.1 All Parish Precepts have now been set for 2009/2010; they are set out below for information: -

Parish	2008/2009		2009/2010		
	Precept	Addition to Council Tax	Precept	Addition to Council Tax	Change in Band D
	£	(Band D) £ p	£	(Band D) £ p	%
Aintree	125,000	54.63	125,000	54.67	0.08
Formby	35,000	3.68	35,000	3.69	0.24
Hightown	3,750	4.22	3,750	4.19	-0.63
Ince Blundell	1,375	7.13	1,450	7.59	6.46
Little Altcar	2,500	8.57	2,500	8.70	1.49
Lydiate	129,862	57.86	149,862	66.64	15.17
Maghull	627,912	87.20	636,678	88.84	1.88
Melling	18,000	16.41	18,000	16.50	0.55
Sefton	3,500	14.80	3,500	14.95	1.03
Thornton	4,000	4.87	4,500	5.52	13.39
	950,899		980,240		

Recommendation 5:

Note the intention to provide a verbal update on the precepts from the Police and Fire Authorities.

Recommendation 6:

Note the final Parish Precepts for 2009/2010.

8 Recommendations:

Cabinet is recommended to:

1. Note the confirmed impact of external levies on the Council Tax;
2. Note the Finance and Information Services Director's assessment on the robustness of the each of the three Party Group Proposals;
3. Consider any comments from the Overview & Scrutiny Committee;
4. Recommend a Budget to Council for 2009/2010;
5. Note the intention to provide a verbal update on the precepts from the Police and Fire Authorities; and
6. Note the final Parish Precepts for 2009/2010.

Agenda Item 12

Annex A1

Budget Proposal of the Liberal Democrat Group

	£m	£m
1 Base Budget as at 22 January 2009		235.880
2 Less Use of ABG for Key Priorities		-2.306
3 Less Reduction in Pension Fund Provision		-0.200
4 Less Reduction in Pay award Provision to 1.8%		-0.193
		<u>233.181</u>
Plus Priority Service Growth:		
5 Adult Social Care	1.750	
6 Children's Services - Looked After Children	0.750	
7 Specialist Transport Unit	0.750	
	<u>3.250</u>	
8 Less Existing MTFP Provision	-1.000	
9 Additional Provision for Priority Services Growth		2.250
Plus Other Service Growth		
10 Provision for Capital Financing Costs for new capital schemes	0.067	
11 Graffiti - 1 additional team	0.080	
12 Hillsborough Memorial refurbishment	0.002	
13 Scrutiny Function - Research/Support Costs	0.015	
14 Review of Electoral / Scrutiny Staffing	0.015	
15 Double rating	0.085	
16 Shop Mobility	0.025	
17 Other Growth Previously Agreed	0.111	
18 Tree Planting / Arboricultural Services	0.020	
	<u>0.420</u>	
19 Less Existing MTFP Provision	-0.500	
20 Reduced Provision for Other Services Growth		-0.080
Less Other Savings Proposals		
21 Introduction of additional green bins	-0.080	
22 Restructure of Arts Development	-0.018	
		-0.098
23 Additional Contribution to Budget Pressures Reserve		0.300
24 Draft Base Budget 2009/10		<u>235.553</u>

	%
Sefton Services Council Tax Increase	2.18
Plus Levies Services Council Tax Increase	<u>0.70</u>
Overall Sefton Council Tax Increase	<u>2.88</u> *
* Police, Fire and Parish Precepts are in addition to this total	

Agenda Item 12

Annex A2

Budget Proposal of the Labour Group

	£m	£m
1 Base Budget as at 22 January 2009		235.880
2 Plus Delete Leisure Savings - Leisure Centres Review		0.102
3 Plus Delete Leisure Savings - Arts Development		0.030
4 Plus Delete Environmental Protection - Dog Warden		0.030
5 Less Use of ABG for Key Priorities		-2.306
6 Less Reduction in Pension Fund Provision		-0.200
7 Less Improved Efficiencies in Procurement		-0.200
8 Less Reductions in Advertising/Marketing		-0.050
9 Less Reductions in Use of Consultants		-0.050
10 Less Reduction in Provision for Pay Award to 1.9%		-0.097
		<u>233.139</u>
Plus Priority Service Growth:		
11 Adult Social Care	1.850	
12 Children's Services - Looked After Children	0.750	
13 Specialist Transport Unit	<u>0.750</u>	
	3.350	
14 Less Existing MTFP Provision	<u>-1.000</u>	
15 Additional Provision for Priority Services Growth		2.350
Plus Other Service Growth		
16 Provision for Capital Financing Costs for new capital schemes	0.068	
17 Land Drainage Emergency Pressures	0.010	
18 Stray Dogs - Out of Hours Service	0.015	
19 Hillsborough Memorial Refurbishment	0.002	
20 Other Growth Previously Agreed	0.111	
21 Unallocated Growth	<u>0.044</u>	
	0.250	
22 Less Existing MTFP Provision	<u>-0.500</u>	
23 Reduced Provision for Other Services Growth		-0.250
24 Additional Contribution to Budget Pressures Reserve		<u>0.200</u>
25 Draft Base Budget 2009/10		<u>235.439</u>

	%
Sefton Services Council Tax Increase	2.08
Plus Levies Services Council Tax Increase	<u>0.70</u>
Overall Sefton Council Tax Increase	<u>2.78</u> *
* Police, Fire and Parish Precepts are in addition to this total	

Notes:

1. This budget represents the lowest ever Council Tax increase in Sefton since the introduction of Council Tax in 1992/93.

2. The Area Based Grant residual funding of £24.2m must be reviewed to ensure that it is applied to support the achievement of LAA targets.

Agenda Item 12

Annex A3

Budget Proposal of the Conservative Group

	£m	£m
1		235.880
2		-0.241
3		-2.306
4		-0.100
5		-0.200
		<u>233.033</u>
Plus Priority Service Growth:		
6	1.750	
7	0.750	
8	0.750	
	<u>3.250</u>	
9	-1.000	
10		2.250
Plus Other Service Growth		
11	0.068	
12	0.010	
13	0.030	
14	0.002	
15	0.111	
16	0.006	
17	0.020	
	<u>0.247</u>	
18	-0.500	
19		-0.253
20		0.300
21		<u>235.330</u>

	%
Sefton Services Council Tax Increase	1.99
Plus Levies Services Council Tax Increase	<u>0.70</u>
Overall Sefton Council Tax Increase	<u>2.69</u> *
* Police, Fire and Parish Precepts are in addition to this total	

The Conservative Group recognise that Council Tax increases should be kept to a minimum, particularly in the current economic climate. We must, however, protect core budgets like Care for the Elderly and protection for the vulnerable. Over the next year staffing levels should be reviewed and, where appropriate, streamlined to reflect the present economic climate and help limit the Council Tax rises for 2010/11 and beyond.

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Agenda Item 14

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